a significant economic impact on a substantial number of small entities, and the Assistant General Counsel for Legislation and Regulation of the Department of Commerce has so certified to the Chief Counsel for Advocacy of the Small Business Administration. A prohibition against white shark attraction in the nearshore areas of the Sanctuary would not have a significant economic impact on a substantial number of small entities because: the number of commercial operators presently engaging in this activity is small; white shark attraction is not likely the sole source of business for such commercial operators because white sharks only inhabit the nearshore areas during the fall-winter season; and commercial operators would not be prohibited from bringing divers to dive in cages to observe white sharks in their natural state without the use of attractants. Accordingly, an initial Regulatory Flexibility Analysis was not prepared.

Paperwork Reduction Act

This proposed rule would not impose an information collection requirement subject to review and approval by OMB under the Paperwork Reduction Act of 1980, 44 U.S.C. 3500 *et seq.*

National Environmental Policy Act

NOAA has concluded that this regulatory action does not constitute a major federal action significantly affecting the quality of the human environment. Therefore, an environmental impact statement is not required.

List of Subjects in 15 CFR Part 922

Administrative practice and procedure, Coastal zone, Education, Environmental protection, Marine resources, Natural resources, Penalties, Recreation and recreation areas, Reporting and recordkeeping requirements, Research.

(Federal Domestic Assistance Catalog Number 11.429 Marine Sanctuary Program)

Dated: February 1, 1996.

David L. Evans,

Acting Deputy Assistant Administrator for Ocean Services and Coastal Zone Management.

Accordingly, for the reasons set forth above, 15 CFR Part 922 is proposed to be amended as follows:

PART 922—[AMENDED]

1. The authority citation for part 922 continues to read as follows:

Authority: 16 U.S.C. 1431 *et seq.*

Subpart—Monterey Bay National Marine Sanctuary

2. Section 922.131 is amended by adding three definitions in alphabetical order to read as follows:

§ 922.131 Definitions.

* * * * *

Attract or attracting means the conduct of any activity that lures by using food, bait, chum or any other means.

* * * * *

Fishing means: (1) The catching or harvesting of fish; or (2) The attempted catching or harvesting of fish.

* * * * *

Traditional fishing means fishing using a lawful commercial or recreational fishing method used within the Sanctuary prior to its designation (September 18, 1992).

3. Section 922.132 is amended by revising paragraph (a)(2)(i)(A), and adding new paragraph (a)(10) to read as follows:

§ 922.132 Prohibited or otherwise regulated activities.

(a) * * *

(2)(i) * * *

(A) Fish, fish parts, chumming materials or bait produced and discarded incidental to and during traditional fishing operations in the Sanctuary.

* * * * *

(10) Attracting or attempting to attract any white shark in California state waters (3 miles seaward of mean high tide) in the Sanctuary.

* * * * * *

[FR Doc. 96–2686 Filed 2–9–96; 8:45 am]

BILLING CODE 3510—08—M

FEDERAL TRADE COMMISSION

16 CFR Part 303

Rules and Regulations Under the Textile Fiber Products Identification Act

AGENCY: Federal Trade Commission.

ACTION: Notice of Proposed Rulemaking.

SUMMARY: The Federal Trade Commission (Commission or FTC) has completed its regulatory review of the Rules and Regulations under the Textile Fiber Products Identification Act (Textile Rules). Pursuant to that review, the Commission concludes that the Rules continue to be valuable to both consumers and firms. The regulatory review comments suggested various substantive amendments to the Rules. The Commission has considered these proposals and other proposals that it believes merit further inquiry. The Commission seeks comment on whether it should amend the Textile Rules to: (1) allow the listing of generic fiber names for fibers that have a functional significance and are present in the amount of less than 5% of the total fiber weight of a textile product, without requiring disclosure of the functional significance of the fiber, as presently required by Textile Rule 3(b); (2) eliminate the requirement of Textile Rule 16(b) that the front side of a cloth label, which is sewn to the product so that both sides of the label are readily accessible to the prospective purchaser, bear the wording ''Fiber Content on Reverse Side'' when the fiber content disclosure is listed on the reverse side of the label; (3) allow for a system of shared information for manufacturer or importer identification among the North American Free Trade Agreement (NAFTA) countries; (4) add a provision to Textile Rule 20 specifying 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 submitted; (5) allow the use of abbreviations for generic fiber names; (6) allow the use of abbreviations and symbols in country of origin labeling; and (7) allow the use of new generic names for manufactured fibers if the name and fiber are recognized by an international standards-setting organization. In addition, the Commission seeks comment on the possible resolution of apparent conflict between the Commission's country of origin disclosure requirements and new U.S. Customs Service regulations pursuant to the Uruguay Round Agreements Act of 1994.

DATES: Written comments will be accepted until May 13, 1996.

ADDRESSES: Comments should be submitted to: Office of the Secretary, Federal Trade Commission, Room H–159, Sixth Street and Pennsylvania Avenue, NW, Washington, DC 20580. Submissions should be marked ''Rules and Regulations under the Textile Act, 16 CFR Part 303—Comment.'' If possible, submit comments both in writing and on a personal computer diskette in Word Perfect or other word processing format (to assist in processing, please identify the format and version used). Written comments should be submitted, when feasible and not burdensome, in five copies.

FOR FURTHER INFORMATION CONTACT: Bret S. Smart, Program Advisor, Los Angeles Regional Office, Federal Trade Commission, 11000 Wilshire Blvd., Suite 13209, Los Angeles, CA 90024, (310) 235–7890 or Edwin Rodriguez, Attorney, Federal Trade Commission, Sixth Street and Pennsylvania Avenue, NW, Washington, DC 20580, (202) 326–3147.

SUPPLEMENTARY INFORMATION:

I. Background Information

The Textile Fiber Products Identification Act (Textile Act), 15 U.S.C. 70 *et seq.*, requires marketers of covered textile products to mark each product with (1) the generic names and percentages by weight of the constituent fibers present in the product; (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 Textile Act also contains advertising and recordkeeping provisions. Pursuant to section 7(c) of the Act, 15 U.S.C. 70e(c), the Commission has issued implementing regulations, the Textile Rules, which are found at 16 CFR Part 303.

As part of the Commission's on-going regulatory review of all its rules, regulations, and guides, on May 6, 1994, the Commission published a Federal Register notice (FRN), 59 FR 23646, seeking public comment on the Textile Rules. The FRN solicited comments about the overall costs and benefits of the Rules and their regulatory and economic impact. The FRN also sought comment on what changes in the Rules would increase the benefits of the Rules to purchasers and how those changes would affect the costs the Rules impose on firms subject to their requirements. The Commission further stated that Textile Rules 10, 21, 32, and 45 would be amended to comply with ''metrication'' mandates if the Commission decided to retain those rules in their current form after the regulatory review.[1] The deadline for submission of comments was extended twice, on July 7, 1994 and September 12, 1994. The final deadline for comments was October 15, 1994.

II. Regulatory Review and Proposed Amendments

A. Support for the Textile Rules

The Commission received twenty-eight comments in response to the FRN. The comments were submitted by trade associations[2] and companies[3] subject to the Textile Act and Rules. In addition, one comment was submitted by an industry-wide committee formed to address issues concerning the harmonization of textile regulations among the NAFTA countries.[4]

Although no comments were received from consumers or consumer groups, it is clear from the Commission's experience that consumers benefit directly from the Rules and consider the mandated disclosures material in making purchase decisions. Ten comments explicitly express support for the Textile Rules as a whole[5] because the Rules protect consumers from deceptive fiber claims and provide them with valuable information about the fiber content of apparel, allowing them to make educated product comparisons and purchasing decisions.[6] The comments do not identify any costs imposed by the Rule on consumers.[7]

In addition, the comments show that the Rules are valuable to manufacturers and firms. They allow firms to distinguish their products from others in the marketplace based on the products' fiber content.[8] They improve the credibility of firms and their products by assuring consumers that the products they are purchasing will meet specific standards and consumer tastes.[9] The Rules also ''maintain the integrity of fiber type information from the fiber supplier to the textile manufacturer to the apparel manufacturer to the consumer.''[10] Although the Rules impose labeling and packaging costs,[11] they are small and have become an accepted part of doing business in the textile industry.[12] The commenters consider the costs of compliance to be minimal and the benefits to companies and consumers to be tangible and great.

In short, it is clear that the implementing regulations enjoy the backing of subject companies and have become an accepted part of business at all levels of manufacture, distribution, and sales. The Commission has decided, however, to seek additional comment on possible amendments to the Rules.

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[1] The regulatory review comments do not suggest any change to Rules 10, 21, 32, and 45, and the Commission does not propose any substantive changes to these Rules. The Commission has decided to retain these Rules in their present form. Therefore, in a separate notice, the Commission announces the final amendments to Rules 10, 21, 32, and 45 to include metric equivalents beside the inch/pound unit measurements in those Rules, as required by Executive Order 12770 of July 25, 1991 (56 FR 35801, July 29, 1991) and the Metric Conversion Act, as amended by the Omnibus Trade and Competitiveness Act (15 U.S.C. 205b).

[2] National Knitwear & Sportswear Association [NKSA] (1), National Association of Hosiery Manufacturers [NAHM] (2), American Textile Manufacturers Institute [ATMI] (3), Cordage Institute [CORD] (4), National Retail Federation [NRF] (5), American Fiber Manufacturers Association, Inc. [AFMA] (7), American Textile Manufacturers Institute [ATMI] (10), Ross & Hardies, on behalf of United States Association of Importers of Textiles and Apparel [USA-ITA] (11), American Apparel Manufacturers Association [AAMA] (15), Liz Claiborne, Inc. and Labeling Committee, Industry Sector Advisory Committee on Wholesaling and Retailing [ISAC 17] (17).

[3] Warren Featherbone Company [WFC] (6), Dan River Inc. [DR] (8), Ruff Hewn [RUFF] (9), Gap, Inc. [GAP] (12), Fieldcrest Cannon, Inc. [FIELD] (13), Fruit of the Loom [FRUIT] (14), Wemco Inc. [WEMCO] (18), Sara Lee Knit Products [SARA] (19), Horace Small Apparel Company [HORACE] (20), Perry Manufacturing Company [PERRY] (21), Milliken & Company [MILL] (22), Cranston Print Works Company [CRAN] (23), Angelica Corporation [ANGEL] (24), Russell Corporation [RUSS] (25), Haggar Apparel Company [HAGGAR] (26), Capital Mercury Shirt Corp. [CAP] (27), Biderman Industries Corporation [BIDER] (28).

[4] Trilateral Labeling Committee [TLC] (16). WFC (6), RUFF (9), WEMCO (18), SARA (19), ANGEL (24), RUSS (25), HAGGAR (26), CAP (27), and BIDER (28) explicitly adopt or endorse the recommendations of TLC (16), and other comments appear to track TLC's recommendations closely.

[5] NKSA (1) p.1, NAHM (2) p.1, ATMI (3) p.1, CORD (4) p.2, DR (8) p.1, ATMI (10) p.1, FIELD (13) p.1, FRUIT (14) p.1, PERRY (21) p.1, MILL (22) p.1. These comments were submitted by companies covered by the Rules, but they express the belief that the Rules help consumers.

[6] NAHM (2) states, at p.1, that the regulations should be retained ''because they provide a framework for fiber content disclosure, labeling, country-of-origin clarification, and provisions for guarantees, all of which protect manufacturers, buyers, and retail consumers.'' NKSA (1) states, at p.1, that the Rules serve an important and useful purpose for consumers who may not be aware of the various fibers in the multi-fiber blends that have become common in the marketplace. CORD (4) states, at p.2, that the Rules help purchasers ''select a product best suited for a specific application and reduce the potential for unsafe use and danger to life and property.'' PERRY (21) states, at p.1, that the Rules are ''both necessary and desirable if we are to have orderly trade within this hemisphere.''

[7] NAHM (2) states, at p.1, that the Rules impose costs on consumers, but does not identify what the costs are. The comment states that ''the assurances offered by the Rules to purchasers far outweigh the costs associated with fiber content disclosure on labeling and the use of guarantees.'' ATMI (10) states, at p.1, that it ''has no knowledge of additional imposed costs to the consumer because of the rules.''

[8] NKSA (1) p.1.

[9] NAHM (2) p.2.

[10] ATMI (3) p.1. See also DR (8) p.1; ATMI (10) p.1, MILL (22) p.2.

[11] NAHM (2) p.2. ATMI (3) states, at p.1, that ''[t]here are minimal costs associated with the manufacture of the label, its attachment to the textile product, and costs carried by the manufacturer to maintain records.''

[12] NKSA (1) p.1, ATMI (3) pp.1–2, DR (8) p.1, ATMI (10) p.5, FIELD (13) p.6, MILL (22) p.6. ATMI (3) states, at pp.1–2, that ''[p]rior to the rules, textile mills typically kept records of fiber content and performed fiber identification tests to certify that fiber being supplied to the mill was indeed what the supplier stated. These costs and practices have become a generic part of textile business operations. The rules only add the cost of a consumer label.''

B. Proposals for Amendments to the Textile Rules

1. Introduction

The comments submitted in response to the regulatory review of the Textile Rules propose certain amendments to the Rules. The Commission is also considering other amendments that were not mentioned in the comments. Many of the changes proposed in the comments were motivated by the passage of NAFTA, which has highlighted the importance of reconciling the labeling requirements of the member countries. The goal of NAFTA is to establish a trade zone in which goods can flow freely among Canada, Mexico, and the United States, a goal which may be impeded by the multiple burdens imposed on companies by regulations in the NAFTA countries. For example, the comments contend that language differences among the NAFTA countries, and regulations based on these differences, affect the printing of fiber content information, country of origin names, and care instructions.[13] Manufacturers must either print separate labels for each market, which may inhibit the efficient allocation of inventories within the NAFTA territory and increase costs to consumers,[14] or print unwieldy, multilingual labels that satisfy all of the regulatory requirements of each NAFTA country.[15] In addition, the comments contend that differences and conflicts involving other labeling requirements, including label attachment requirements, the definition of key terms, and responsible party identification systems in the NAFTA countries, may also interfere with free trade.[16] The comments generally agree that the NAFTA signatories must consult and coordinate with each other to simplify textile and apparel labeling so that differences in labeling rules and the manner in which compliance is determined do not pose trade barriers.[17]

The harmonization of labeling regulations is required by NAFTA. Article 906 of NAFTA states that ''the Parties shall, to the greatest extent practicable, make compatible their respective standards-related measures, so as to facilitate trade in a good or service between the Parties.'' Article 913 of the Act requires the creation of a Committee on Standards-Related Measures, including a Subcommittee on Labelling of Textile and Apparel Goods. In accordance with Annex 913.5.a-4, the Subcommittee

> shall develop and pursue a work program on the harmonization of labelling requirements to facilitate trade in textile and apparel goods between the Parties through the adoption of uniform labelling provisions. The work program should include the following matters:
>
> (a) pictograms and symbols to replace, where possible, required written information, as well as other methods to reduce the need for labels on textile and apparel goods in multiple languages;
>
> (b) care instructions for textile and apparel goods;
>
> (c) fiber content information for textile and apparel goods;
>
> (d) uniform methods acceptable for the attachment of required information to textile and apparel goods; and
>
> (e) use in the territory of the other Parties of each Party's national registration numbers for manufacturers of textile and apparel goods.

Many of the comments address these subject areas and contend that harmonizing labels would benefit manufacturers and consumers alike by decreasing the costs of production and distribution. One commenter stated that prices charged to consumers may decline if the costs associated with labeling decline.[18] A few comments contend that harmonized labeling would be less confusing to consumers.[19]

Based on the comments and other available information, the Commission has considered proposals to amend the Rules to: (a) allow the listing of generic fiber names for fibers that have a functional significance and are present in the amount of less than 5% of the total fiber weight of a textile product, without requiring disclosure of the functional significance of the fiber, as presently required by Rule 3(b); (b) make cordage subject to the Textile Rules; (c) modify country of origin disclosure requirements; (d) eliminate the requirement of Textile Rule 16(b) that the front side of a cloth label, only one end of which is sewn to the product in such a manner that both sides of the label are readily accessible to the prospective purchaser, bear the wording ''Fiber Content on Reverse Side'' when the fiber content disclosure is listed on the reverse side of the label; (e) allow for a system of shared information for manufacturer or importer identification among the NAFTA countries; (f) add a provision specifying that a Commission 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 submitted; (g) allow the use of abbreviations for generic fiber names; (h) allow the use of abbreviations and symbols in country of origin labeling; and (i) allow the use of new generic names for manufactured fibers if the name and fiber are recognized by an international standards-setting organization.

After considering these recommendations, the Commission has rejected some of the suggested changes as not feasible or not in the public interest at this time. This Notice of Proposed Rulemaking (NPR) seeks comment concerning the remaining proposed changes. All of the recommendations for change are discussed below.

2. Proposals

a. *Use of Generic Fiber Names for Fibers with a Functional Significance Present in the Amount of Less than 5% of the Total Fiber Weight of a Textile Product*

One commenter recommended that the Commission eliminate Rule 3(b) to allow the listing of generic fiber names for fibers that have a functional significance and are present in the amount of less than 5% of the total fiber weight of a textile product, without disclosing the functional significance of the fibers, as the Rule currently requires.[20] The commenter maintains that the existing Rule is ''archaic'' because consumers know, for example, that the functional significance of spandex is elasticity. In addition, the commenter claims that the Rule is not well known in the textile industry and therefore creates problems with U.S. Customs for imports that are not properly labeled and must be delayed and remarked.

The Commission believes that amending Rule 3 in the manner suggested might benefit manufacturers

[13] This notice does not address the issue of the use of symbols in care labeling. The Commission has published separately a notice regarding that issue. 60 FR 57552 (Nov. 16, 1995).

[14] FRUIT (14) p.3.

[15] USA–ITA (11) p.2, see also FRUIT (14) p.2. The comments, however, do not provide extrinsic evidence that long labels cause consumer confusion or that they are financially burdensome to manufacturers or distributors.

[16] AFMA (7) p.1, FRUIT (14) p.2, SARA (19) p.4. FRUIT states that differences in labeling requirements may ''function as non-tariff trade barriers and significantly impede the free flow of goods within the NAFTA territory,'' inhibiting sales and harming American industry.

[17] WFC (6) p.1, AFMA (7) p.1, DR (8) p.1, RUFF (9) pp. 1–2, ATMI (10) pp.1–2, USA–ITA (11) p.2, FIELD (13) pp.1–2, FRUIT (14) pp.1–2, AAMA (15) p.1, TLC (16) p.1, ISAC 17 (17) p.1, WEMCO (18) p.1, SARA (19) p.4, HORACE (20) p.2, MILL (22) p.2, ANGEL (24) p.1, RUSS (25) p.1, HAGGAR (26) p.1, CAP (27) p.1, BIDER (28) p.1.

[18] FRUIT (14) p.2.

[19] WFC (6) p.1, AAMA (15) pp.1, 2, TLC (16) p.2, WEMCO (18) p.1, SARA (19) pp.2, 3, ANGEL (24) p.1, HAGGAR (26) p.1, CAP (27) p.1, BIDER (28) p.1.

[20] GAP (12) p. 1–2.

and importers by dispensing with an unnecessary labeling requirement. In addition, the amendment may not harm consumers because consumers generally know the functional significance of many fibers and manufacturers probably will disclose voluntarily the functional significance of some fibers. Therefore, the Commission proposes to amend Rule 3 to read as follows:

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

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 per centum 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.'' Where 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

when spandex has the functional significance of elasticity. In making such disclosure all of the provisions of the Act and regulations setting forth the manner and form of disclosure of fiber content information, including the provisions of §§ 303.17 of this part (Rule 17) and 303.41 of this part (Rule 41) relating to the use of generic names and fiber trademarks, shall be applicable.

Current Section 303.3(b) would be deleted. The proposed amendment would still prohibit disclosing fiber names for fibers that usually have a functional significance, but do not have that functional significance when present in the amount contained in the textile product. In addition, it would prohibit disclosing the fiber names for fibers present in the amount of less than 5% when the fiber has no functional significance. Thus, the proposed amendment would still allow the consumer to distinguish between fibers constituting less than 5% of the total weight that have a functional significance and those that do not. The Commission seeks comment on the benefits and costs to consumers and manufacturers of the proposed amendment and on whether the proposed change would be in the public interest.

b. *Make Cordage Subject to the Textile Rules.*

One commenter suggests that cordage products like rope and twine, which currently are not covered by the Textile Rules, be covered by the Rules because cordage is an assemblage of fibers. The commenter contends that mislabeling of cordage is a considerable problem which harms consumers.[21]

The Textile Act's marking requirements apply to ''household textile articles,'' defined in Section 2(g) of the Act as: ''articles of wearing apparel, costumes and accessories, draperies, floor coverings, furnishings, beddings, and other textile goods of a type customarily used in a household regardless of where used in fact.'' [22] Certain products, not including cordage, are specifically exempt from the Act. In addition, the Commission has discretion to exclude ''other textile fiber products (1) which have an insignificant or inconsequential textile fiber content, or (2) with respect to which the disclosure of textile fiber content is not necessary for the protection of the ultimate consumer.'' [23]

Rule 45, ''Exclusions from the Act,'' implements Section 12(b) of the Act by (1) declaring that all textile fiber products *except* those specifically listed in Rule 45(a)(1) are excluded and (2) by naming certain specifically excluded products in Rules 45(a)(2) through (9). Rule 45(a)(1) therefore contains a list of all the products that are covered by the Textile Act and its implementing regulations. Cordage does not appear on this list. Consequently, Rule 45(a)(1) implicitly excludes cordage from coverage under the Textile Act.

The Commission does not propose to amend the Textile Rules to include cordage. Although cordage has some household uses, it is not a common household textile, and there is no evidence that consumers rely on fiber content information in making purchase decisions about twine or other cordage products.[24] Any significant affirmative misrepresentations or failures to disclose material information relating to cordage fiber content can be addressed through Section 5 of the FTC Act, if necessary.

c. *Country of Origin Labeling*

Under the Textile Act and Textile Rule 33(a)(1), an imported textile fiber product must bear a label disclosing the name of the country where the product was processed or manufactured. One commenter recommends that companies that add value to imported greige goods (unfinished plain fabric) through printing and finishing be allowed to label the finished product as ''Made in USA.'' [25] Such a label would not comport with Rule 33, which states that a textile product made in the United States of imported fabric must contain a label disclosing those facts, as for example: ''Made in USA of imported fabric.'' Only those textile products completely made in the United States of fabric that was also made in the United States may be labeled ''Made in USA,'' without qualification.[26] At present, the Commission does not propose any amendments to this Rule. However, the Commission is currently examining issues pertaining to ''Made in USA'' advertising and labeling claims generally in a separate context.[27]

Many comments recommend that the FTC and U.S. Customs Service harmonize their regulations regarding country of origin marking for textile goods.[28] In particular, the Commission is aware that there may be a conflict between Rule 33 and Section 334 of the Uruguay Round Agreements Act, signed into law on December 8, 1994,[29] and U.S. Customs Service implementing regulations that will be effective July 1, 1996.[30] For certain categories of textile products, including household furnishings, such as linens, and apparel accessories, such as scarves and handkerchiefs, the country of origin under the new tariff laws will be the country where the fabric was produced, not the country where the item was finished. Commission staff has begun to meet with U.S. Customs Service staff to explore ways this apparent conflict might be resolved without unduly

[21] CORD (4) p.1.

[22] 15 U.S.C. 70(g).

[23] 15 U.S.C. 70j(b).

[24] The Fair Packaging and Labeling Act (FPLA), 15 U.S.C. § 1451 *et seq.*, requires that consumer commodities ''bear a label specifying the identity of the commodity and the name and place of business of the manufacturer, packer, or distributor.'' 15 U.S.C. 1453(a)(1). 16 CFR 503.2(b) defines cordage as a ''consumer commodity'' under the Act. In addition, although the commenter claims that cordage is often not marked with the country of origin, it adds that this is true for ''other than prepackaged consumer/household cordage,'' CORD (4) p.1, which means that country of origin information does reach consumers of cordage destined for household use.

[25] CRAN (23) pp.1–2.

[26] In determining the appropriate disclosure for country of origin, the manufacturer or processor needs to look only one step back in the process. Thus, the label ''Made in USA'' would be appropriate if the finished article were made from fabric produced in the US. The manufacturer need not consider whether the yarn that went into the fabric was imported for purposes of determining the correct label.

[27] On July 11, 1995, the Commission announced that it would re-examine its ''Made in U.S.A.'' policy by (1) conducting a comprehensive review of consumers' perceptions of ''Made in USA'' and similar claims and (2) holding a public workshop to examine issues relevant to the standard. The Commission issued a notice, 60 FR 53922 (Oct. 18, 1995), requesting public comment in preparation for the workshop. The workshop will be held on March 26–27, 1996. 60 FR 65327 (Dec. 19, 1995).

[28] RUFF (9) p.1, ATMI (10) p.3, FRUIT (14) pp.2 and 4, SARA (19) p.2.

[29] Public Law 103–465, 108 Stat. 4809. Section 334 is codified at 19 U.S.C. 3592.

[30] 60 FR 46188 (Sept. 5, 1995).

burdening U.S. businesses and causing confusion to consumers. In addition, the Commission welcomes industry suggestions as to how this apparent conflict might be resolved in a way that will comply with the Uruguay Round Agreements Act marking requirements, provide meaningful information to consumers, and not require lengthy label disclosures.

d. *Label Mechanics and Textile Rule 16(b)'s ''Fiber Content on Reverse Side'' Disclosure Requirement*

Many comments discussed the interrelated issues of label type, label attachment, label placement, and use of both sides of a label to set out required information.[31] The comments recommend that the Textile Rules not specify a type of label (e.g., woven, non-woven, printed) to be used for required disclosures or the method of label attachment, to allow for changes in labeling technology. The comments recommend that the Rules require only that the label remain securely affixed to the product; the information be legible and remain legible for the useful life of the product; and both sides of a label be allowed to be used to display the information required by the Rules.[32] The comments discuss the issue of label attachment in the context of NAFTA and recommend that U.S. label attachment regulations be harmonized with those of the NAFTA countries. However, the comments do not explain whether inconsistencies in those regulations do in fact exist.

The current Rules already address many of the recommendations made by the comments regarding the mechanics of labeling. Rule 15—''Required Label and Method of Affixing''—allows any type of label (e.g., a hangtag, a gummed-on label) to be used, so long as the label is securely affixed and durable enough to remain attached to the product until the consumer receives it. Rule 15 does not require a permanent label for any of the disclosures required by the Textile Act, and there is therefore no requirement that the label remain legible for the useful life of the product. Rule 16 provides only that the Textile Act disclosures must be ''clearly legible and readily accessible to the prospective purchaser.''

In addition, although Rule 16(b) requires that all three Textile Act disclosures—country of origin, company name or RN, and fiber content—be made on the front of the required label, two provisos allow the use of both sides of the label. The first proviso allows the company name or RN to be on the back of the required label or on the front of another label in immediate proximity to the required label. When the required label is a cloth label, sewn to the product at one end so that both sides of the label are readily accessible to the prospective purchaser, the second proviso allows the fiber content disclosure to be placed on the back of the required label ''if the front side of such label clearly and conspicuously shows the wording 'Fiber Content on Reverse Side'.''

One commenter proposed that this second proviso of Textile Rule 16 be amended to eliminate the requirement that manufacturers place the phrase ''Fiber content on Reverse Side'' on the front side of the required label because ''consumers today are aware that both sides of the label contain information important to their purchasing decision.'' [33] The Commission agrees that consumers probably are in the habit of looking on the back of labels for needed information, such as fiber content or care instructions, and do not need a specific direction to do so. Thus, the requirement that the front side of a cloth label indicate that the fiber content information is on the reverse side is probably unnecessary.

The Commission, therefore, proposes to amend Rule 16(b). The Rule might be amended narrowly to eliminate the ''Fiber Content on Reverse Side'' disclosure requirement for cloth labels with one end sewn to textile products. Another alternative would be to amend Rule 16(b) to allow the required fiber content information to appear on the reverse side of any kind of permissible label (e.g., a cardboard label or a hang-tag label) as long as the information remains ''conspicuous and accessible.'' The latter alternative is broader than the amendment suggested by the comment, but comports with the contention that consumers are in the habit of looking on the back of labels. The Commission solicits comments on these alternative amendment proposals, including comments on the benefits and costs to consumers and manufacturers of the proposed amendments. It also solicits amendment language alternatives.

The Commission also requests comment on whether fiber content identification should be printed on labels that are permanently attached to a textile product,[34] and on whether the other two required disclosures should similarly appear on a permanent label. This information may continue to be useful to consumers throughout the life of the product. For example, fiber content identification may assist professional cleaners in determining whether certain newly developed wet-cleaning techniques are appropriate for an item of textile apparel. Moreover, due to advances in labeling technology, requiring a permanent label may not be burdensome to manufacturers. Many manufacturers already make the required disclosures on a permanent label. Finally, the Commission seeks comment concerning any specific conflicting rules and regulations for label attachment in Mexico and Canada, and whether such conflicts pose trade impediments that could be removed by changing the Commission's Rules.

e. *System of Shared Information for Manufacturer or Importer Identification Among the NAFTA Countries.*

Under the Textile Act,[35] the Wool Products Labeling Act,[36] and the Fur Products Labeling Act,[37] the required label on covered products must bear the identification of one or more companies responsible for the manufacture, importation, offering for sale, or other handling of the product, either by the full name under which the company does business or, in lieu thereof, by the RN issued by the Commission. Canada has a similar system of identification numbers known as CA numbers. Mexico does not have a similar system, but the Mexican government issues tax identification numbers to companies.

To eliminate the need for a company to register in more than one country, the comments recommend that the FTC and appropriate government agencies in the NAFTA countries develop an integrated system for identifying the manufacturer, importer, or dealer of a textile product that would allow any RN, CA, or Mexican tax identification number to suffice as legal company identification

[31] WFC (6) p.1, DR (8) p.1, RUFF (9) p.2, ATMI (10) p.5, FIELD (13) p.6, FRUIT (14) p.5, AAMA (15) p.3, TLC (16) p.4, WEMCO (18) p.1, SARA (19) p.4, HORACE (20) p.2, MILL (22) p.6, ANGEL (24) p.1, RUSS (25) p.1, HAGGAR (26) p.1, CAP (27) p.1, BIDER (28) p.1. The work program of the NAFTA subcommittee on labeling includes ''a uniform method of attachment'' as one of its issues.

[32] WFC (6) p.1, DR (8) p.1, RUSS (9) p.2, ATMI (10) p.5, FIELD (13) p.6, AAMA (15) p.3, TLC (16) p.4, WEMCO (18) p.1, SARA (19) p.4, HORACE (20) p.2, MILL (22) p.6, ANGEL (24) p.1, RUSS (25) p.1, HAGGAR (26) p.1, CAP (27) p.1, BIDER (28) p.1.

[33] FRUIT (14) p.5.

[34] Comment on this issue was also requested in a Federal Register notice seeking comment on proposed amendments to the Commission's Care Labeling Rule, 16 CFR Part 423. 60 FR 67102 (Dec. 28, 1995).

[35] Section 4(b)(3) of the Textile Act and Rules 16(a)(2), 19, and 20 thereunder, require manufacturers or other responsible parties to include their name or registered identification number on a textile label.

[36] 15 U.S.C. 68 *et seq.*

[37] 15 U.S.C. 69 *et seq.*

in all three NAFTA countries.[38] The comments repeatedly state that it would not be necessary to create one identification number system. They recommend that each NAFTA country continue its policy and procedure of registration, with the U.S. continuing the present system of RN numbers. The countries could then exchange information on computer databases so that a textile product can be traced to a manufacturer or other responsible party using either an RN number, a CA number, or a Mexican tax number.

Both the Textile Act and the Rules would have to be amended to allow CA numbers and Mexican tax numbers, which are not registered by the Commission, to be used on textile products shipped for distribution in the United States. At this time, the Commission is not considering any amendments to the Textile Rules related to responsible party identification. Before the Commission considers whether to recommend that Congress amend the Textile Act, it seeks comment on the advantages and disadvantages of a system of shared information, the feasibility of implementing such a system across borders, and the impact such a system would have on the ability of the Commission, consumers, and firms to track responsible parties. The Commission would recommend that Congress amend the Textile Act *only* if the NAFTA countries reach an agreement to share information. Such agreement would be critical to the effectiveness of any amendments to the Textile Act and Rules.

f. *Require Holders of RN Numbers to Update their Registration Information when Changes in that Information Occur*

The success of a system of shared information would also depend to a great extent on the availability and the quality of the information in the Commission's RN registry and the registration systems of the other NAFTA signatories. To increase the usefulness of the RN registry, the Commission plans to improve its accuracy and the ease of access to its contents.

Since initially being issued their RN's, many companies have changed their legal business name, business address, and/or company type (e.g., from proprietorship to corporation) without notifying the FTC about the change(s), as requested in the RN number application. Since the 1940's many RN holders have gone out of existence, and others, while still in existence, no longer have any need for their RN's. As a result, a large percentage of the official FTC records are inaccurate (i.e., not reflecting an actual user's correct name, place of business, and/or company type) or obsolete (e.g., reflecting an RN held by a non-existent company).

Registered identification numbers are 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 promulgated thereunder, or when otherwise deemed necessary in the public interest. The Commission proposes to add a provision to the Textile Rules that would subject an RN number 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 submitted. The new, updated application would replace the old one in the Commission's files; there would be no charge for processing the new application. Any company whose RN application does not reflect current business information by a specified deadline would have its RN cancelled. Commission staff would make every reasonable effort to identify and locate all companies actually using an RN and help them update their applications before the specified deadline.

The Commission seeks comment on the following proposed amendment to Rule 20(b):

§ 303.20 Registered identification numbers.

(a) * * *

(b)(1) * * *

(2) Registered identification numbers will 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 concern to whom a registered identification number has been assigned by application duly executed in the form set out in subsection (d) of this section, reflecting the current name, business address, and legal business status of the person or concern.

(3) Registered identification numbers will 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 promulgated thereunder, or when otherwise deemed necessary in the public interest.

g. *Use of Abbreviations for Fiber Content Identification.*

Although supporting the fiber content disclosure requirements, the comments recommend that the Rules be amended to allow abbreviations of generic fiber names in fiber content disclosures.[39] Many comments state that spelling out complete fiber names in three languages for the marketing of textile products in the NAFTA countries is unwieldy and that abbreviations of generic fiber names would permit the required information to be conveyed on a smaller label.[40] The comments contend that if abbreviations were permitted, they could lead to a single label for NAFTA countries and eventually to an international label.[41]

Many comments urge that the FTC and the appropriate agencies in the NAFTA countries adopt abbreviations for the most common fibers—acrylic, cotton, nylon, polyester, rayon, silk, spandex, and wool—which purportedly represent more than 80% of all apparel and textile products sold in the marketplace, and an abbreviation for designating ''other fibers'' that are present in amounts of less than 5% of total fiber weight.[42] The result would be three abbreviations, one in each language—English, Spanish, and French—for the most common generic fibers.[43] Although abbreviations eventually could be developed for other fibers, the comments emphasize the need to develop abbreviations for the more common generic fibers first. Other fibers which the rules do not permit to be lumped together as ''other fibers'' can be identified by their full fiber names.[44] A few comments recommend three- to four-letter abbreviations for fiber names.[45] One commenter states that any abbreviations used for fiber identification should not arbitrarily be limited to a specific number of letters, as in three- to four-letter abbreviations.[46]

[38] WFC (6) p.1, DR (8) p.1, RUFF (9) pp.1–2, ATMI (10) p.2, USA–ITA (11) p.2, FIELD (13) pp.2–3, FRUIT (14) p.5, AAMA (15) pp.2–3, TLC (16) p.4, ISAC 17 (17) p.1, WEMCO (18), p.1, SARA (19) p.2, HORACE (20) p.2, MILL (22) p.3, ANGEL (24) p.1, RUSS (25) p.2, HAGGAR (26) p.1, CAP (27) p.1, BIDER (28) p.1.

[39] WFC (6) p.1, DR (8) p.1, RUFF (9) p.2: ATMI (10) p.4–5, USA–ITA (11) p.2, FIELD (13) pp.4–5, FRUIT (14) p.3, AAMA (15) p.2, TLC (16) pp.3–4, ISAC 17 (17) p.2, WEMCO (18) p.1, SARA (19) p.2, HORACE (20) p.2, MILL (22) pp.4–5, ANGEL (24) p.1, RUSS (25) p.2, HAGGAR (26) p.1, CAP (27) p.1, BIDER (28) p.1.

[40] WFC (6) p.1, USA–ITA (11) p.2, FRUIT (14) p.2, AAMA (15) p.2, TLC (16) p.3, ISAC 17 (17) p.2, WEMCO (18) p.1, SARA (19) p.1, ANGEL (24) p.1, RUSS (25) p.1, HAGGAR (26) p.1, CAP (27) p.1, BIDER (28) p.1.

[41] ISAC 17 (17) p.2.

[42] WFC (6) p.1, DR (8) p.1, ATMI (10) p.4, FIELD (13) pp.4–5, FRUIT (14) p.3, AAMA (15) p.2, TLC (16) p.3, WEMCO (18) p.1, SARA (19) p.2, MILL (22) pp.4–5, ANGEL (24) p.1, HAGGAR (26) p.1, CAP (27) p.1, BIDER (28) p.1. Some comments omit acrylic from this list of fibers. RUFF (9) p.2, HORACE (20) p.2, RUSS (25) p.2.

[43] WFC (6) p.1, DR (8) p.1, RUFF (9) p.2, ATMI (10) p.4, AAMA (15) p.2, TLC (16) p.3, WEMCO (18) p.1, SARA, (19) p.2, ANGEL (24) p.1, RUSS (25) p.1, HAGGAR (26) p.1, CAP (27) p.1, BIDER (28) p.1.

[44] DR (8) p.1, ATMI (10) p.4, FIELD (13) p.5, FRUIT (14) p.3, MILL (22) p.5.

[45] FIELD (13) p.4, ISAC 17 (17) p.2.

[46] AFMA (7) states, at p. 2, that ''[a]s labeling requirements are simplified, the quality and

Continued

The comments recognize that when fiber names are entirely different in different languages, arriving at common abbreviations may be difficult.[47] But the comments point out that when fiber names are identical or similar, the same abbreviation could be used by more than one country, thereby reducing the use of abbreviations on labels.[48]

The comments also recommend that the use of abbreviations should be optional,[49] and that manufacturers should be allowed to use full labeling and still qualify for NAFTA benefits in all signatory countries.[50] To educate the public about the meaning of abbreviations, the comments recommend that manufacturers or retailers provide hangtags, explanatory charts, or other consumer education labels for a limited period.[51]

The Commission believes that the use of abbreviations for fiber names may be beneficial to companies without harming consumers. The Commission therefore proposes to amend Rules 5 and 6 to allow the use of abbreviations for generic fiber names. At present Textile Rule 5 does not allow the use of abbreviations for disclosures of required information, except for the country of origin. To allow the use of abbreviations, the Commission proposes to amend Rules 5 and 6 (Sections 303.5 and 303.6) to read as follows:

§ 303.5 Abbreviations, ditto marks, and asterisks prohibited.

(a) In disclosing required information, words or terms shall not be designated by ditto marks or appear in footnotes referred to by asterisks or other symbols in required information, and shall not be abbreviated except as permitted in Rule 33(e) and Rule 6.

* * * * *

§ 303.6 Generic names of fibers to be used.

(a) Except where another name is permitted under the Act and Regulations, the respective generic names of all fibers present in the amount of five per centum or more of the total fiber weight of the textile fiber product shall be used when naming fibers in the required information; as for example: cotton, rayon, silk, linen, nylon, etc., *provided, however,* that the following abbreviations may be used for cotton, wool, polyester, rayon, nylon, spandex, silk, and acrylic:

cotton—cot
wool—wl
polyester—poly
rayon—ryn
nylon—nyl
spandex—spdx
silk—slk
acrylic—acrl

* * * * *

The Commission solicits comments on these proposed amendments, as well as alternative amendment language, other suggestions for English-language abbreviations for the above-listed fibers, and abbreviations for the catch-all classifications, ''other fiber'' and ''other fibers.'' The Commission also seeks submission of empirical data (copy tests, etc.) about consumer understanding of abbreviations and the impact that the use of abbreviations may have on consumers and firms. In addition, the notice asks whether the use of abbreviations on the required fiber content labels should be conditioned upon use of explanatory hangtags, indefinitely or for a limited period of time, and if the latter, for how long.

h. *Use of Abbreviations and Symbols in Country of Origin Labeling*

Rule 33 requires that the name of the country where the textile product was processed or manufactured be indicated on a label. The comments recommend that the Rules be amended to allow the optional use of three-letter abbreviations for country of origin names (such as CAN for Canada, MEX for Mexico, and USA for the United States),[52] and a symbol, such as a solid flag, to denote the words ''made in'' or ''product of'' in country of origin disclosures.[53] The commenters assert this would facilitate trade under NAFTA by reducing the label size, eliminating the need for three languages, and reducing consumer confusion. The comments contend that consumer education programs could be instituted to educate the consumer as to the meaning of the abbreviations and the symbol.[54] Only one comment opposed the use of abbreviations of country names.[55]

Rule 33(e) already permits abbreviations of country of origin names if they ''unmistakably indicate the name of a country.'' The challenge will be to develop abbreviations that convey the country of origin and also harmonize with abbreviations used in the other NAFTA countries. Because Rule 33(e) already allows abbreviations for country of origin names, the Commission does not recommend any change to that Rule at this time. Nor does it recommend any change to permit the use of symbols in country of origin labeling because it lacks sufficient knowledge about the feasibility of doing so.

The Commission solicits more information from consumers, textile industry representatives, and U.S. Customs about the use of abbreviations and symbols in country of origin labeling. The Commission seeks specific recommendations for the abbreviations to be used for ''Canada,'' ''Mexico,'' and the ''United States,'' as well as comments on the viability of using symbols in making country of origin disclosures. The Commission seeks comment on the benefits and costs to consumers and firms of adding specific country of origin abbreviations to the Rules and allowing symbols.

i. *Procedures for Establishing New Generic Names for Manufactured Fibers.*

Under Section 7(c) of the Textile Act, the Commission is ''authorized and directed 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.'' 15 U.S.C. 70e(c) (emphasis added). Currently, Rule 7 sets out the generic names and definitions for manufactured fibers that are recognized by the Commission. If a manufacturer or producer develops a new fiber that is not listed in Rule 7, the fiber content identification label must identify the new fiber by using one of the already recognized generic names or the manufacturer or producer of the new fiber must file, under Rule 8, a written application with the Commission, requesting the establishment of a new generic name for the new fiber. Such a requirement limits the proliferation of new fiber names and therefore benefits consumers, who need only acquaint themselves with a few generic names to understand fiber content disclosures. But at the same time, the limitation on

consistency of information provided to the consumer should be maintained,'' so as not to compromise ''the two decades of education and experiences developed under the current system in the United States.''

[47] AFMA (7) p.3.

[48] WFC (6) p.1, AFMA (7) p.3, DR (8) p.1, RUFF (9) p.2, ATMI (10) p.4, FIELD (13) p.4, FRUIT (14) p.3, AAMA (15) p.2, TLC (16) p.3, WEMCO (18) p.1, SARA (19) p.2, HORACE (20) p.2, MILL (22) p.4, ANGEL (24) p.1, RUSS (25) p.1, HAGGAR (26) p.1, CAP (27) p.1, BIDER (28) p.1.

[49] AAMA (15) p.2.

[50] AFMA (7) p.3.

[51] WFC (6) p.1, DR (8) p.1, RUFF (9) p.1, ATMI (10) p.4, FIELD (13) p.5, FRUIT (14) p.3, AAMA (15) p.2, TLC (16) p.4, WEMCO (18) p.1, SARA (19) p.2, MILL (22) p.5, ANGEL (24) p.1, HAGGAR (26) p.1, CAP (27) p.1, BIDER (28) p.1.

[52] WFC (6) p.1, DR (8) p.1, RUFF (9) p.1, ATMI (10) p.3, FRUIT (14) p.4, AAMA (15) p.1, TLC (16) p.3, ISAC 17 (17) p.3, WEMCO (18) p.1, SARA (19) p.2, ANGEL (24) p.1, RUSS (25) p.2, HAGGAR (26) p.1, CAP (27) p.1, BIDER (28) p.1.

[53] WFC (6) p.1, DR (8) p.1, RUFF (9) p. 1, ATMI (10) p.3, FRUIT (14) p.4, AAMA (15) p.1, TLC (16) p.3, ISAC 17 (17) p.3, WEMCO (18) p.1, SARA (19) p.2, MILL (22) p.4, ANGEL (24) p.1, RUSS (25) p.2, HAGGAR (26) p.1, CAP (27) p.1, BIDER (28) p.1.

[54] RUFF (9) p.1.

[55] MILL (22) pp.1–2, 4. MILL states, at p.1, that ''[a]nything less than the complete country name would obscure for consumers the country of origin information intended by the Congress in the labeling acts and the current F.T.C. rules.''

new generic names may place manufacturers of new fibers at a competitive disadvantage because identifying a new fiber with an inappropriate recognized generic name may disparage the new fiber and harm the manufacturer.

The Commission proposes to amend Rules 7 and 8 to allow the use of new generic names for manufactured fibers if the name and fiber are recognized by an international standards-setting organization, such as the International Organization for Standardization (ISO) or the International Bureau for the Standardization of Man-Made Fibers (BISFA). Textile Rules 7 and 8 could be amended to state that if such a body recognizes a new fiber and a new generic name, then the use of the new generic fiber name in this country would not violate the Textile Act and the Textile Rules. The Commission would retain its own list of manufactured fiber names. This would allow manufacturers that use generic names recognized by the Commission, but not recognized by ISO, to continue to use their names. By relying on a standards-setting body, the Commission could save the resources of duplicating the inquiry in a proceeding under Textile Rule 8. At the same time, manufacturers could continue to apply to the FTC for the recognition of new generic fiber names.

The Commission seeks comment on the following proposed amendments to Textile Rules 7 and 8. The Commission proposes to amend Rule 7 by adding the following language at the end of the Rule, after the list of definitions of generic names for manufactured fibers:

§ 303.7 Generic names and definitions for manufactured fibers.

* * * * *

(u) * * *

In addition to the above-defined names, the generic names and their respective definitions recognized by the International Organization for Standardization (ISO) in its International Standard ISO 2076 are incorporated by reference into this Rule section and are recognized as generic names and definitions for purposes of these Rules, unless and until the Commission finds that a generic name in such International Standard is inappropriate for use in the United States.

The Commission proposes to amend Rule 8 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 fibers, stating therein:

* * * * *

III. Invitation To Comment and Questions for Comment

A. Invitation

Members of the public are invited to comment on any issues or concerns they believe are relevant or appropriate to the Commission's consideration of the proposed amendments to the Textile Rules. The Commission requests that factual data upon which the comments are based be submitted with the comments. In addition to the issues raised above, the Commission solicits public comment on the specific questions identified below. These questions are designed to assist the public and should not be construed as a limitation on the issues on which public comment may be submitted.

B. Questions

Use of Generic Fiber Names for Fibers with a Functional Significance and Present in the Amount of Less Than 5% of the Total Fiber Weight of a Textile Product

1. Should Textile Rule 3 be amended to allow manufacturers to list the generic fiber name(s) of fiber(s) that have a functional significance and are present in the amount of less than 5% of the weight of the textile product, without also requiring disclosure of the functional significance of the fiber(s)?

a. What benefits and costs to consumers and businesses would result from such an amendment?

b. Is the proposed amendment language set out in this notice appropriate? If not, what amendment language should be used?

Label Mechanics and Textile Rule 16(b)'s ''Fiber Content on Reverse Side'' Disclosure Requirement

2. Should Textile Rule 16 be amended to eliminate the requirement that the front side of a cloth label, sewn to the product so that both sides of the label are readily accessible to the prospective purchaser, bear the words ''Fiber Content on Reverse Side'' when the fiber content disclosure is listed on the reverse side of the label? Is there a continuing need for such a requirement?

3. Should Textile Rule 16 be amended to allow the required fiber content information to appear on the reverse side of any kind of allowable label as long as the information remains ''conspicuous and accessible?''

a. What benefits and costs to consumers and firms would result from each of these alternative amendments?

4. Are there any rules or regulations concerning label attachment in Canada or Mexico that conflict with the Textile Rules? If so, what are they, and how do they conflict?

Identification Numbers of Manufacturers or Other Responsible Parties

5. Should the Commission amend the Textile Rules to allow the interchangeable use of RN, CA, or Mexican tax numbers?

a. What are the advantages and disadvantages of a system of shared information?

b. Would the implementation of a system of shared information across national borders be feasible?

c. What impact would a system of shared information have on the ability of consumers and businesses to track responsible parties?

d. What benefits and costs to consumers and businesses would result from such an amendment?

Fiber Identification Labeling

6. Should the Commission amend the Textile Rules to permit the abbreviation of fiber names on fiber content identification labels?

a. What costs and benefits to consumers and businesses would accrue from allowing the use of abbreviations for fiber content identification?

b. Are there existing abbreviations for fibers that would clearly convey the required fiber content identification information?

c. Is the proposed amendment language set out in this notice appropriate? If not, what amendment language should be used?

7. Do Canadian and Mexican regulations allow the use of abbreviations of fiber names on fiber content identification labels?

8. Do any empirical data (copy tests, etc.) exist concerning consumer understanding of fiber name abbreviations?

9. Should the Textile Rules be amended to require that the required disclosures be printed on labels that are permanently attached to textile products? Should a permanent label be required only for fiber content identification or for all three required disclosures?

Country of Origin Labeling

10. Are there existing abbreviations that would ''unmistakably indicate the name'' of each of the NAFTA countries?

a. Do Canadian and Mexican regulations allow the use of abbreviations for country of origin names?

b. Would U.S. Customs regulations pose any impediment to an amendment of Commission rules to allow abbreviations of country names?

11. Should the Commission amend the Textile Rules to allow a symbol to be used to mean ''made in'' or ''product of,'' or other similar phrases, in country of origin labeling?

a. What would be the advantages and disadvantages of allowing the use of a symbol?

b. If the Commission decides to allow the use of a symbol, which symbol should be used?

c. What benefits and costs would allowing a symbol have for purchasers of the products affected by the Textile Rules?

d. What actions can be taken to ensure that consumers understand what the symbol means?

e. How would the use of a symbol work when manufacturers wish to distinguish between the country of origin of an unfinished textile product and the country where another phase of the manufacturing process takes place, as in ''Made in the Dominican Republic of United States components''?

12. How can the apparent conflict between the Commission's country of origin labeling requirements and the new marking requirements imposed by U.S. Customs, with regard to household furnishings and apparel accessories, be resolved in a manner that will be consistent with statutory requirements, provide meaningful information to consumers, and not be burdensome to U.S. businesses?

13. Are there additional conflicts between Commission and Customs regulations on country of origin labeling for textile products? If so, what is the specific nature of the conflict, and how can it be resolved in the best interests of both businesses and consumers?

Procedures for Establishing New Generic Names for Manufactured Fibers

14. Should the Commission amend the Textile Rules to allow the use of new generic names for manufactured fibers if the name and fiber are recognized by an international standards-setting organization?

a. If the Commission decided to amend the Textile Rules in this manner, what international standards-setting organization(s) should the Commission follow?

b. Is the proposed amendment language set out in this Notice appropriate? If not, what amendment language should be used?

IV. Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA), 5 U.S.C. 601–11, requires an analysis of the anticipated impact of the proposed amendments to the Textile Rules on small businesses. The analysis must contain, as applicable, a description of the reasons why action is being considered, the objectives of and legal basis for the proposed actions, the class and number of small entities affected, the projected reporting, recordkeeping and other compliance requirements being proposed, any existing federal rules which may duplicate, overlap or conflict with the proposed actions, and any significant alternatives to the proposed actions that accomplish their objectives and, at the same time, minimize their impact on small entities.

A description of the reasons why the proposed amendments are being considered and the objectives of the proposed amendments to the Rules have been explained elsewhere in this Notice. The proposed amendments do not appear to have a significant economic impact on a substantial number of small businesses. To the extent they do have an effect on such entities, the effect should be to reduce the costs of compliance with Textile Act requirements.

Therefore, based on available information, the Commission certifies, pursuant to section 605 of RFA, 5 U.S.C. 605, that, if the Commission amends the Textiles Rules as proposed, that action will not have a significant impact on a substantial number of small entities. To ensure that no substantial economic impact is being overlooked, however, the Commission requests comments on this issue. After reviewing any comments received, the Commission will determine whether it is necessary to prepare a final regulatory flexibility analysis.

V. Paperwork Reduction Act

The Textile Rules contain various collection of information requirements for which the Commission has current clearance under the Paperwork Reduction Act (PRA), 44 U.S.C. 3501 *et seq.*, pursuant to Office of Management and Budget (OMB) Control Number 3084–0101.

In addition, the amendments proposed in this notice would lower the paperwork burden associated with the current Rules. The proposed amendments would eliminate the functional significance disclosure requirement of Rule 3(b) and the ''Fiber Content on Reverse Side'' disclosure requirement of Rule 16(b). They would allow abbreviations for generic fiber names and the use of new generic names for manufactured fibers if the name and fiber are recognized by an international standards-setting organization.

VI. Additional Information for Interested Persons

A. Motions or Petitions

Any motions or petitions in connection with this proceeding must be filed with the Secretary of the Commission.

B. Communications by Outside Parties to Commissioners or Their Advisors

Pursuant to Rule 1.18(c) of the Commission Rules of Practice, 16 CFR 1.18(c), communications with respect to the merits of this proceeding from any outside party to any Commissioner or Commissioner's advisor during the course of this rulemaking shall be subject to the following treatment. Written communications, including written communications from members of Congress, shall be forwarded promptly to the Secretary for placement on the public record. Oral communications, not including oral communications from members of Congress, are permitted only when such oral communications are transcribed verbatim or summarized at the discretion of the Commissioner or Commissioner's advisor to whom such oral communications are made, and are promptly placed on the public record, together with any written communications relating to such oral communications. Memoranda prepared by a Commissioner or Commissioner's advisor setting forth the contents of any oral communications from members of Congress shall be placed promptly on the public record. If the communication with a member of Congress is transcribed verbatim or summarized, the transcript or summary will be placed promptly on the public record.

List of Subjects in 16 CFR Part 303

Textile fiber products identification; Trade practices.

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

By direction of the Commission.

Donald S. Clark,

Secretary.

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