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FEDERAL TRADE COMMISSION
Agency Information Collection Activities;
Proposed Collection; Comment Request; Extension

AGENCY: Federal Trade Commission.

ACTION: Notice.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995 (PRA), the Federal Trade Commission (FTC or Commission) is seeking public comment on its proposal to extend for an additional three years the Office of Management and Budget (OMB) clearance for information collection requirements in the Commission's rules and regulations under the Wool Products Labeling Act of 1939 (Wool Rules). That clearance expires on May 31, 2021.

DATES: Comments must be received on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Interested parties may file a comment online or on paper by following the instructions in the Request for Comments part of the SUPPLEMENTARY INFORMATION section below. Write "Wool Rules; PRA Comment: FTC File No. P072108" on your comment, and file your comment online at <https://www.regulations.gov> by following the instructions on the web-based form. If you prefer to file your comment on paper, mail your comment to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue, NW, Suite CC-5610 (Annex J), Washington, DC 20580, or deliver your comment to the following address: Federal Trade Commission, Office of the Secretary, Constitution Center, 400 7th Street, SW, 5th Floor, Suite 5610 (Annex J), Washington, DC 20024.

FOR FURTHER INFORMATION CONTACT: Jock K. Chung, Attorney, Division of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, Mail Code CC-9528, 600 Pennsylvania Ave., NW, Washington, DC 20580, (202) 326-2984.

SUPPLEMENTARY INFORMATION:

Title: Rules and Regulations under the Wool Products Labeling Act of 1939, 16 CFR Part 300.

OMB Control Number: 3084-0100.

Type of Review: Extension of a currently approved collection.

Likely Respondents: Manufacturers, importers, processors and marketers of wool products.

Frequency of Response: Third party disclosure; recordkeeping requirement.

Estimated annual hours burden: 1,880,000 hours (160,000 recordkeeping hours + 1,720,000 disclosure hours).

Recordkeeping: 160,000 hours [4,000 wool firms incur an average 40 hours per firm].

Disclosure: 1,720,000 hours [240,000 hours for determining label content + 480,000 hours to draft and order labels + 1,000,000 hours to attach labels].

Estimated annual cost burden: \$25,620,000 (solely relating to labor costs).

Abstract: The Wool Products Labeling Act of 1939 (Wool Act) prohibits the misbranding of wool products. The Wool Rules establish disclosure requirements that assist consumers in making informed purchasing decisions and recordkeeping requirements that assist the Commission in enforcing the Rules.

As required by section 3506(c)(2)(A) of the PRA, 44 U.S.C. 3506(c)(2)(A), the FTC is providing this opportunity for public comment before requesting that OMB extend the existing clearance for the information collection requirements contained in the Commission's Wool Rules.

Burden Statement:

Staff's burden estimates for the Wool Rules are based on data from the Department of Commerce's Bureau of the Census, the International Trade Commission, the Department of Labor's Bureau of Labor Statistics (BLS), and data or other input from the main industry association, the American Apparel and Footwear Association (AAFA), and from SICCode.com, which specializes in the business classification of SIC (Standard Industrial Classification) and NAICS (North American Industry Classification System) codes for business identification,

verification, and targeting. The AAFA, a national trade association which represents U.S. apparel, footwear and other sewn products companies and their suppliers, has stated that “[t]he use of labels on textiles and apparels is beneficial to consumers, manufacturers, and business in general as it allows for the necessary flow of information along the supply chain.”¹ The relevant information collection requirements in these rules and staff’s corresponding burden estimates follow. The estimates address the number of hours needed and the labor costs incurred to comply with the requirements. Staff believes that a significant portion of hours and labor costs currently attributable to burden below are time and financial resources usually and customarily incurred by persons in the course of their regular activity (e.g., industry participants already have and/or would have care labels regardless of the Rules) and could be excluded from PRA-related burden.²

Estimated annual hours burden: 1,880,000 hours (160,000 recordkeeping hours + 1,720,000 disclosure hours).

Recordkeeping: Staff estimates that approximately 4,000 wool firms are subject to the Wool Rules’ recordkeeping requirements. Based on an average annual burden of 40 hours per firm, the total recordkeeping burden is 160,000 hours.

Disclosure: Approximately 8,000 wool firms, producing or importing about 600,000,000 wool products annually, are subject to the Wool Rules’ disclosure requirements. Staff estimates the burden of determining label content to be 30 hours per year per firm, or a total of 240,000 hours, and the burden of drafting and ordering labels to be 60 hours per firm per year, or a total of 480,000 hours. Staff believes that the process of attaching labels is now fully automated and integrated into other production steps for about 40 percent of all affected products. For the remaining 360,000,000 items (60 percent of 600,000,000), the process is semi-automated and

¹ Page one from comment by Kevin M. Burke, President and CEO, American Apparel & Footwear Association, March 26, 2012, *Advance Notice of Proposed Rulemaking; Request for Public Comment; Rules and Regulations under the Wool Products Labeling Act of 1939*; 77 FR 4498 (Jan. 30, 2012).

² 5 CFR 1320.3(b)(2).

requires an average of approximately ten seconds per item, for a total of 1,000,000 hours per year. Thus, the total estimated annual burden for all firms is 1,720,000 hours (240,000 hours for determining label content + 480,000 hours to draft and order labels + 1,000,000 hours to attach labels). Staff believes that any additional burden associated with advertising disclosure requirements would be minimal (less than 10,000 hours) and can be subsumed within the burden estimates set forth above.

Estimated annual cost burden: \$25,620,000, rounded to the nearest thousand (solely relating to labor costs). The chart below summarizes the total estimated costs.

Task	Hourly Rate	Burden Hours	Labor Cost
Determine label content	\$ 29.00 ³	240,000	\$6,960,000
Draft and order labels	\$ 19.00 ⁴	480,000	\$9,120,000
Attach labels	\$ 6.50 ⁵	1,000,000	\$6,500,000
Recordkeeping	\$ 19.00 ⁶	160,000	\$3,040,000
TOTAL			\$25,620,000

Staff believes that there are no current start-up costs or other capital costs associated with the Wool Rules. Because the labeling of wool products has been an integral part of the

³ The wage rate for supervisors of office and administrative support workers is based on data through May 2019 from the Bureau of Labor Statistics Occupational Employment Statistics Survey at <https://www.bls.gov/news.release/ocwage.htm> (released on March 31, 2020).

⁴ The wage rate for correspondence clerks is based on recent data from the Bureau of Labor Statistics Occupational Employment Statistics Survey at <https://www.bls.gov/news.release/ocwage.htm>.

⁵ For imported products, the labels generally are attached in the country where the products are manufactured. According to information compiled by an industry trade association using data from the U.S. Department of Commerce, International Trade Administration and the U.S. Census Bureau, approximately 97.5 % of apparel used in the United States is imported. With the remaining 2.5 % attributable to U.S. production at an approximate domestic hourly wage of \$12 to attach labels, staff has calculated a weighted average hourly wage of \$6.50 per hour attributable to U.S. and foreign labor combined.

⁶ This estimate includes the wage rate for correspondence clerks.

manufacturing process for decades, manufacturers have in place the capital equipment necessary to comply with the Rules. Based on knowledge of the industry, staff believes that much of the information required by the Wool Act and Rules would be included on the product label even absent their requirements. Similarly, recordkeeping and advertising disclosures are tasks performed in the ordinary course of business so that covered firms would incur no additional capital or other non-labor costs as a result of the Rules.

Request for Comments

Pursuant to Section 3506(c)(2)(A) of the PRA, the FTC invites comments on: (1) whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (2) the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used; (3) ways to enhance the quality, utility, and clarity of the information to be collected; and (4) ways to minimize the burden of maintaining records and providing disclosures to consumers. All comments must be received on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

You can file a comment online or on paper. For the FTC to consider your comment, we must receive it on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. Write "Wool Rules; PRA Comment: FTC File No. P072108" on your comment. Your comment—including your name and your state—will be placed on the public record of this proceeding, including the <https://www.regulations.gov> website.

Due to the public health emergency in response to the COVID-19 outbreak and the agency's heightened security screening, postal mail addressed to the Commission will be subject to delay. We encourage you to submit your comments online through the <https://www.regulations.gov> website.

If you prefer to file your comment on paper, write “Wool Rules; PRA Comment: FTC File No. P072108” on your comment and on the envelope, and mail your comment to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue, NW, Suite CC-5610 (Annex J), Washington, DC 20580; or deliver your comment to the following address: Federal Trade Commission, Office of the Secretary, Constitution Center, 400 7th Street SW, 5th Floor, Suite 5610 (Annex J), Washington, DC 20024. If possible, submit your paper comment to the Commission by courier or overnight service.

Because your comment will become publicly available at <https://www.regulations.gov>, you are solely responsible for making sure that your comment does not include any sensitive or confidential information. In particular, your comment should not include any sensitive personal information, such as your or anyone else’s Social Security number; date of birth; driver’s license number or other state identification number, or foreign country equivalent; passport number; financial account number; or credit or debit card number. You are also solely responsible for making sure that your comment does not include any sensitive health information, such as medical records or other individually identifiable health information. In addition, your comment should not include any “trade secret or any commercial or financial information which is privileged or confidential” —as provided by Section 6(f) of the FTC Act, 15 U.S.C. 46(f), and FTC Rule 4.10(a)(2), 16 CFR 4.10(a)(2) —including in particular competitively sensitive information such as costs, sales statistics, inventories, formulas, patterns, devices, manufacturing processes, or customer names.

Comments containing material for which confidential treatment is requested must be filed in paper form, must be clearly labeled “Confidential,” and must comply with FTC Rule 4.9(c). In particular, the written request for confidential treatment that accompanies the comment must include the factual and legal basis for the request, and must identify the specific portions of the comment to be withheld from the public record. *See* FTC Rule 4.9(c). Your comment will be kept confidential only if the General Counsel grants your request in accordance with the law and

the public interest. Once your comment has been posted publicly at www.regulations.gov, we cannot redact or remove your comment unless you submit a confidentiality request that meets the requirements for such treatment under FTC Rule 4.9(c), and the General Counsel grants that request.

The FTC Act and other laws that the Commission administers permit the collection of public comments to consider and use in this proceeding, as appropriate. The Commission will consider all timely and responsive public comments that it receives on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. For information on the Commission's privacy policy, including routine uses permitted by the Privacy Act, see <https://www.ftc.gov/site-information/privacy-policy>.

Josephine Liu,
Assistant General Counsel for Legal Counsel.

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