

POSITION PAPER

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EURATEX POSITION PAPER ON TEXTILE & CLOTHING REGULATORY ISSUES TO BE ADDRESSED IN THE TTIP NEGOTIATIONS

Euratex, as the main voice of the European Textile & Clothing industry, welcomes the TTIP negotiations and sees them as an excellent opportunity for facilitating trade to the mutual benefit of European and American companies, in particular SMEs. Euratex believes that TTIP should not only reduce but remove technical barriers to trade. The identification of divergent regulations should be the starting point for further and complete harmonization. In order to reach regulatory convergence, Euratex urges the negotiators to find ways to remove the various technical barriers that hamper our reciprocal trade flows.

On both sides of the Atlantic, Textile & Clothing goods are sensitive products subjects to safety standards that have strict requirements to comply with before being placed on the market. It is the industry intention to maintain this high level of standards while eliminating unnecessary burdens that impede business.

The main barriers to trade that have been identified by the European Textile & Clothing industry are listed in this document. Euratex urges EU and US authorities to take industry views on this matter into due consideration.

Labelling

Fiber names

Both the EU regulation n° 1007/2011 and the US Textile and Wool Acts require fiber names to be identified by their generic names. Both in the EU and the US, fiber names listed in the ISO 2076 standard are recognized. Applications for new fibers' names have to be applied for at the European Commission for EU producers and at the Federal Trade Commission for US producers. Once accepted, a generic name is given in the EU and a generic name is given in the US, which is not always the same. If different, the name is then recognized by the other Party and cleared for both markets.

Euratex calls for EU and US Commissions prior cooperation on this issue. Such applications do not occur on a regular basis but are always introduced for economically relevant fibers. It would be of great benefit for the whole Man Made Fiber industry and would avoid long and costly administrative procedures if applications for new fiber names could be simultaneously handled and recognized on both EU and US markets.

Placement of the country of origin label

According to the US Textile and Wool Acts, in a garment with a neck a label disclosing the country of origin must be attached to the inside center of the neck - either midway between the shoulder seams or close to another label attached to the inside center of the neck. The fiber content and manufacturer or dealer identity can appear on the front or back of the same label, or on another conspicuous and accessible label(s) on the inside or outside of the garment.

The EU industry believes that these burdensome requirements are not proportional to the consumer safety objective. Therefore, Euratex favours that placement of the label be decided on a voluntary basis.

Care symbols

Regulation on care instructions has not been harmonized in the EU. ISO standard 3758:2012 is widely used by EU companies to disclose care instructions, even if this is not compulsory. US regulation requires that manufacturers or importers attach care labels on textile and wearing apparel. The US garments industry recently agreed with the Federal Trade Commission to allow the use of both ASTM and ISO/GINETEX symbols. The ISO standard is currently on its way to being recognized in the US.

The EU industry would like the ISO standard be the only one to be universally used. If this is not possible, both ISO and ASTM symbols should be recognised in both EU and US markets.

Wool labelling – Super S

The “super S scheme”, the internationally accepted measuring system to define the fiber diameter of wool, is enshrined in the IWTO CoP (International Wool Textile Organisation Code of Practice). The wool industry has decided that this nomenclature should be registered with the European (CEN) and International (ISO) standards. The vote in the CEN is scheduled November 2014.

In the US, the Wool Rules have recently been updated to incorporate changes made to the Wool Products Labelling Act of 1939 by the "Wool suit fabric labelling fairness and international conforming standards Act". The changes now include definitions of fine and superfine wool and of cashmere. Unfortunately this newly enforced regulation lacks harmonization with the IWTO CoP. While Super S numbers can only be used for pure new wool in the IWTO CoP, the US Wool Rules do not prohibit the use of super S for describing wool products containing non-wool fibers and even potentially non-wool products. Such a difference undermines the Super S labelling scheme and may create confusion amongst consumers about wool product labelling.

The European wool industry supports the IWTO definition and usage of the term Super S that exclude wool-blends and non-wool products and would like the US Wool Rules to follow the internationally recognised IWTO CoP nomenclature.

Consumer Safety

Children products

There are existing EU and US regulations concerning children nightwear and cords & drawstrings. The standards are very similar.

Considering that consumer safety objectives are the same, Euratex supports approximation of the test methods.

Flammability

Silk: The US flammability regulation requires products to be tested before being put on the market. It also draws a list of exemption for certain fibers, not including silk. For years, the European silk manufacturers (AIUFFASS) have asked the Consumer Product Safety Commission to include silk in this exemption list. The European silk industry has provided the CPSC with a long list of arguments and tests giving evidence that silk is not more flammable than other fibers (such as wool for instance) and therefore asking that silk be included in the exemption list.

Euratex considers this issue a good example of a possible TTIP achievement. The European silk producers share concerns over consumer safety and conduct tests on a voluntary basis in order not to put hazardous products on the market. They have provided sufficient evidence that conditioning of the samples when testing was not at all made according to realistic conditions of use. Euratex supports AIUFFASS petitioning to the CPSC and urges the EU and US negotiators to agree for silk being included in the exemption list.

Carpets and floorcovering laminate & resilient: The EU and US standards and test methods are very similar. The test reports issued by laboratories are not all mutually recognized in both Parties because some laboratories are accredited by ILAC, the international accreditation body), while others are on the NANDO list, the European list of notified bodies. For safety purposes, the European carpets & rugs manufacturers (ECRA) support the ILAC list of accredited laboratories.

Therefore, Euratex asks for mutual recognition of test reports issued by a single list of internationally accredited laboratories (ILAC).

Personal protective equipment and other textiles as home and contract textiles (for commercial interiors: hotels, offices etc.): There is a huge variety of flammability standards across EU and US to ensure a high level of fire safety.

Euratex is in favor of the approximation of these standards test methods.

Customs procedures

The US Harmonized Tariff Schedule (using 10 digits) is a very complex system for EU manufacturers to use. To fulfill customs requirements, EU manufacturers use the services of customs brokers. This does not prevent misclassification that leads to fines, penalties and delays.

Apparel exporters have reported to Euratex that the costs can be up to 20% more on top of customs duties (*depending on volume and frequency of orders as well as size of companies*).

Euratex believes the TTIP should eliminate burdensome and costlier customs procedures. Although programmes as European AEO and American C-TPAT have been designed to facilitate trade and streamline customs procedures, these statuses still do not provide enough benefits for licensed companies. Euratex urges EU and US negotiators to introduce more genuine flexibility in both systems.

Last but not least, the sale of customs information is not prohibited in the US. Thus, confidential business information is not protected and sensitive information (lists of suppliers, pricing information etc.) is often sold to competitors as business intelligence information. In certain cases, the European T&C industry considers this to be “industrial espionage” and would like this concern raised with the US customs authorities in order to find a way to eliminate these unfair practices.

Public procurement

The European industry is very concerned by the fact that US trade representatives along with all US stakeholders have expressed their total opposition to open public procurement, including government procurement of textiles and clothing. Euratex believes that a comprehensive partnership cannot be achieved if no access is granted to government procurement.

For Textile & Clothing products, the discriminatory treatment laid down by the Berry Amendment should end and the possibility of accessing procurement regulated by the Buy America provisions and Buy American Acts is a priority.

EURATEX's main objective is to promote the interests of its members while taking into account the European Union's institutional framework and international obligations.

As the voice of the European textile and clothing industry, EURATEX aims to create a favourable environment within the European Union for the manufacture of textile and clothing products.

The EU textile and clothing industry, including manmade fibres, remains an essential pillar of the local economy across the EU regions, at the same time it is intensively competing within the international market striving for a level playing field with the rest of the world. According to the latest EURATEX estimates, 173.000 EU textile and clothing companies reached in 2013 a turnover of €166.500 million and generated a value added of nearly €44 billion, employing 1,66 million workers. In 2013, the Extra-EU exports reached €42,4 billion or 25,5% of the global sales, a growing share of the EU-28 turnover.