



## United States Council for International Business

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Serving American Business as U.S. Affiliate of:

International Chamber of Commerce (ICC)  
International Organisation of Employers (IOE)  
Business and Industry Advisory Committee (BIAC) to the OECD  
ATA Carnet System

February 28, 2007

DG Enterprise and Industry  
[entr-metrology@ec.europa.eu](mailto:entr-metrology@ec.europa.eu)

### **RE: EU Metric-Only Labeling Requirement and Update of Directive 80/181/EEC**

Dear Sir or Madam:

The attached statement is in response to the commission staff working document on units of measurement (Directive 80/181/EEC) of December 22, 2006, soliciting comments on updating the Directive, including extending the use of supplemental units of measurement for labeling products in the European Union. The United States Council for International Business (USCIB) is pleased to offer its comments on this important subject. USCIB represents over 300 U.S. corporations, professional firms, and business associations, many with substantial trade and investment interests in Europe.

USCIB finds that the best option for multinational businesses, both European and American, as well as European consumers and officials, would be to have an indefinite extension of the use of supplemental units of measurement and therefore an indefinite deferral of implementing a metric-only labeling deadline. This would avoid higher costs for both consumers and businesses, and also would avoid a new trade barrier in transatlantic trade. There is no clear benefit to the EU in mandating a deadline to switch to metric-only labeling.

We recognize that the discussion in the attached statement is not exhaustive, and that there may be significant issues that our members have not raised with us for various reasons. Similarly, the differences in length and detail provided in the following statement of specific issues should not suggest that shorter entries are less important than longer entries with more details.

USCIB appreciates this opportunity to express its views to the European Commission regarding Directive 80/181/EEC and the EU metric-only labeling requirement. We stand ready to meet with European Commission officials to discuss our recommendations and concerns at greater length, and are continuing to gather input from our member companies on this issue, which we hope to be able to convey to you in the future.

Yours truly,

Peter M. Robinson  
President & CEO  
United States Council for International Business

Michael Hodin  
Chairman, EU Committee  
United States Council for International Business



STATEMENT  
of the  
UNITED STATES COUNCIL  
FOR INTERNATIONAL BUSINESS

Submission to the European Commission (EC) on  
the Metric-Only Labeling Requirement  
Updating Directive 80/181/EEC

February 28, 2007

UNITED STATES COUNCIL FOR INTERNATIONAL BUSINESS  
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USCIB welcomes the opportunity to submit comments on the European Commission's reconsideration of the Directive that would require metric-only labeling for goods sold in the European Union as of 2010. USCIB actively supports the Transatlantic Business Dialogue (TABD), and has had a history of working closely with our European business counterparts through our international affiliates: the Business and Industry Advisory Committee (BIAC) to the OECD, the International Chamber of Commerce (ICC), and at the International Organization of Employers (IOE), the business arm of the International Labor Organization.

## **History**

USCIB was part of the 1999 effort that included a coalition of over 83 U.S. and EU companies and associations who were concerned about the serious impact on trans-Atlantic trade should supplemental units of measurements no longer be permitted in the European Union. We recall with gratitude the Commission's leadership and advocacy with the European Parliament to prevent the economic damage that would have occurred to both European and United States business had the deadline for metric-only labeling not been extended to 2010.

## **Reasoning**

There is no question that there will be serious added costs and no added-value for business and consumers resulting from a metric-only labeling requirement. Whenever companies have to produce separate packaging, labels, promotional literature and product information, and maintain separate warehousing streams, it creates additional cost. While USCIB members are primarily large multinationals, we cannot overlook the fact that the impact on small companies is even greater and in some cases sufficient to drive them out of the trans-Atlantic market. It is for this reason that USCIB members appreciate the Commission's effort to give careful consideration to the relevance of a metric-only labeling requirement in today's integrated trans-Atlantic and global marketplace, and to engage stakeholders so that the European Commission can better understand the economic impact.

## **Position**

The position of USCIB and TABD has been that the decision to label products with only metric units or metric and a supplemental unit should rest with the manufacturer. We have urged both the European Union and the United States to amend relevant legislation so that manufacturers have the flexibility that allows them to respond to the needs of their customers. This position has not changed.

After polling our companies and discussing this issue with our European counterparts, we find that the best option for multinational businesses, both European and American, would be to have an indefinite extension of the permission to use supplemental units as well as metric in the EU.

## **U.S. Progress**

In the U.S. we are pleased to note steady progress toward metric use, including a recent announcement by NASA that it will use only metric units and a U.S. Government mandate for metric use in the area of procurement. All but a few states now allow metric-only labeling for products not regulated by the Federal Fair Packaging and Labeling Act.

## **Answers to Questions**

While we recognize the European Commission Staff Working Document of December 22, 2006 (EC Staff Document) has posed ten separate questions to stakeholders, we would like to focus first on one to which our multinational members replied with a resounding YES: “Should the use of supplementary indications in Article 3 in Directive 80/181/EEC be able to continue?” (EC Staff Document, page 7, question 7). The members’ discussion emphasized the need to avoid unnecessary costs at a time when business is also being asked to absorb higher costs in other areas such as supply chain security. Every effort must also be made to eliminate regulations which inadvertently create barriers to trans-Atlantic trade as would the metric-only labeling requirement.

We also want to respond to questions 5 (EC Staff Documents, page 5). While we strongly support an end of the proposed metric-only labeling requirement, we want to highlight the importance of an exemption for transport companies from the Directive. A primary concern for them is safety and nothing should impede their ability to deliver information in a comprehensible form.

## **Impact, Some Examples**

We are still in the process of gathering information from our companies on what the implementation of a metric-only labeling requirement would cost them. We hope the Commission will be open to receiving this information as more becomes available to us in the weeks ahead. In the meantime we would like to share several examples which are illustrative of many members’ situation.

The resulting labeling changes could cost one large USCIB member that has over 3 billion euros in sales and employs more than 15,000 employees annually, up to \$30 million for which there seems to be no substantial and overwhelming benefit. For certain U.S. companies, the cost of preparing two types of labels for U.S. domestic and European shipments would be overwhelming, and create serious inventory problems. It would be extremely costly to maintain separate inventories and a parallel logistic system. For these companies, some products go into inventory before it is known where they will be sold. One multi-divisional member indicated that in addition to significant costs to several of their larger divisions, one of their smaller divisions, with European sales over one million dollars, would be forced to withdraw from the European market, because the cost of conversion would be prohibitive. Metric-only requirements could also result in serious problems for European companies selling in the U.S. market, especially when these sales involve component parts that must be integrated into the U.S. system of measurements.

Another division of one of our member companies reported that much of their shipments of bulk chemicals are in a different size bags. It cannot be determined during the packing of the bags whether the product will be shipped domestically or internationally since it is sold worldwide. Frequently, packed bags are placed into inventory awaiting their destination. This company indicated that the estimated impact for just that division will range up to \$500,000. Europe is a very important market for this product, but the cost of metric-only conversion would impact profitability of this business.

Finally, another member company has stated that there seems to be a possibility that certain Occupational Safety and Health Administration (OSHA) requirements would be in conflict with a metric-only labeling scheme.

## **Conclusion**

Conversion of labels and shipping documents to metric-only is not a simple matter and will add substantial cost to the American companies that are currently using dual measures. It is hard to understand how European countries would be negatively affected if both measures appear on the label.

USCIB calls for an indefinite extension of the permission to use supplemental units of measurement on packaging, product information, catalogues, the internet, and other media in addition to metric. While we understand this topic continues to be discussed in the European Commission and between the Member States, it is for the EU to decide the most appropriate means to this end but we can assure you of our efforts in support of such an initiative if the Commission would propose an extension to dual labeling.

We greatly appreciate the opportunity to comment as part of the Commission's transparency and consultative process on this issue and thank you for your consideration of our views.