

November 2000

L&R Committee to Consider Proposal Affecting E-Commerce and Catalog Sales

By Joan Koenig and Tom Coleman

The Food Marketing Institute (FMI) has submitted a proposal to the NCWM Laws and Regulations Committee (L&R Committee) that would affect the labeling of random packages manufactured or produced and offered for indirect sale. FMI defines "indirect sales" as including all forms of retail sales where the customer is not physically present at the time and location of product selection and order (e.g., sales through e-commerce, catalogs, telephone, and fax). The L&R Committee will consider the proposal at the NCWM Interim Meeting in Arizona in January 2001.

FMI is proposing that Section 11.1., Random Packages, in the Uniform Packaging and Labeling Regulation of NIST Handbook 130 be amended to exempt random packages offered for indirect sale from being labeled with unit price and total price when certain requirements are met. Specifically, at the time of delivery each package would have to be marked with a statement of net weight and the following conditions would have to be met:

- (a) The unit price is set forth and established in the initial product offering;
- (b) the maximum possible net weight, unit price, and maximum possible price are provided to the customer by order confirmation when the product is ordered; and
- (c) when the product is delivered, a receipt bearing the following information is presented: product identity, net weight, unit price, and total price.

According to FMI, the current provision requiring the unit price and total price to be displayed on a random package is difficult for on-line retailers to meet because the unit price may vary from package to package depending on the order date. As a consequence, the retailer may be required to re-program the labeling equipment for each product ordered on a different date or to develop a complex and costly system to separate products by price as well as weight. In addition, FMI suggests that providing unit price and total price information on the label of random weight products offered for indirect sale is less meaningful because consumers will not see the package label until after the product is delivered.

For a copy of the complete proposal and background information, see NCWM Publication 15, NCWM Interim Meeting Agenda, which will be sent to all NCWM members and will be available on the OWM web site (www.nist.gov/owm) in December. Written comments on the proposal may be submitted to L&R Committee Technical Advisor Tom Coleman (Office of Weights and Measures, NIST, 100 Bureau Drive STOP 2350, Gaithersburg, MD 20899-2350). For information on the NCWM Interim Meeting, contact NCWM Headquarters (240-632-9454).