

February 11, 2008

Federal Trade Commission/Office of the Secretary Room H-135 (Annex B) 600 Pennsylvania Avenue, NW. Washington, DC 20580

Re: Green Guides Regulatory Review, 16 C.F.R. Part 260, Comments, Project No. P954501 (72 Fed.Reg. 66091 (November 27, 2007))

The American Chemistry Council (ACC) appreciates the opportunity to comment on the Federal Trade Commission's (FTC) Guides for the Use of Environmental Marketing Claims (Guides). ACC agrees with the Commission that it is time to update the Guides to reflect new technologies and science, new environmental marketing claims, and advances in "green" products that have come on the market since the Commission last revised the document in 1998.

Our general comments focus on why a revision is critical to the business of chemistry. Specifically, we request that the Commission continue to prohibit general claims of environmental benefit without the inclusion of clear qualifying language that qualifies both express and implied claims. Consumers should be empowered to make fully informed purchasing decisions that reflect their right to choose useful products that satisfy their needs and do not jeopardize the environment or health. We also are providing more detailed comments addressing the general and specific issues identified by the Commission in the Federal Register notice, including with respect to the claims attributes of "sustainable" and "renewable." Our comments are attached to this letter.

We look forward to the revision of the Guides. If you have any questions about these comments, please contact Stephanie Bernard at the American Chemistry Council at <u>stephanie bernard@americanchemistry.com</u> or 703-741-5661.

Sincerely,

Michael P. Walls Managing Director Regulatory and Technical Affairs

#### FEDERAL TRADE COMMISSION GUIDES FOR THE USE OF ENVIRONMENTAL MARKETING CLAIMS 72 Fed.Reg. 66091 (November 27, 2007)

#### COMMENTS OF THE AMERICAN CHEMISTRY COUNCIL February 11, 2008

### **EXECUTIVE SUMMARY**

The American Chemistry Council (ACC) represents the leading companies in the business of chemistry<sup>1</sup>. We believe there is a continuing need for the Guides, which provide useful guidance to those making environmental claims. An update at this time is both appropriate and needed because green marketing claims have proliferated in the time since the last update in 1998. In addition, environmental concerns today focus on a number of areas that are not addressed by the Guides, such as claims about contributions to global warming (e.g., "carbon footprint"), sustainability, and use of renewable resources.

We provide comments here first on the general issues set out for comment, followed by the specific issues. While our comments are more detailed, we note four key points.

- The Guides and the core analytical processes to be applied to environmental marketing claims remain fundamentally sound.
- We are increasingly concerned with express or implied health claims that accompany environmental claims, and ask the Commission to provide greater clarity with respect to such claims.
- We note the need for new examples and analysis with respect to new environmental claims, such as "reduced carbon footprint."
- We believe that the current Guides provide an appropriate framework for sustainability claims.

We look forward to working with the FTC and other stakeholders as the Guides are revised.

<sup>&</sup>lt;sup>1</sup> The American Chemistry Council (ACC) represents the leading companies engaged in the business of chemistry. ACC members apply the science of chemistry to make innovative products and services that make people's lives better, healthier and safer. ACC is committed to improved environmental, health and safety performance through Responsible Care<sup>®</sup>, common sense advocacy designed to address major public policy issues, and health and environmental research and product testing. The business of chemistry is a \$635 billion enterprise and a key element of the nation's economy. It is one of the nation's largest exporters, accounting for ten cents out of every dollar in U.S. exports. Chemistry companies are among the largest investors in research and development. Safety and security have always been primary concerns of ACC members, and they have intensified their efforts, working closely with government agencies to improve security and to defend against any threat to the nation's critical infrastructure.

## A. General Issues

ACC has a number of comments in response to the FTC's questions on general issues raised by the Guides (72 Fed.Reg. at 66092).

## **1.** Is there a continuing need for the Guides? (FTC Question 1)

ACC believes there is a continuing need for the Guides. Specifically, ACC believes that the Guides provide a mechanism to help reduce unfair or deceptive environmental marketing claims at a time when these types of claims are increasing. Society's growing environmental awareness has placed an increased importance on the environmental, health and safety (EHS) aspects of products. In a nationwide survey, respondents stated that although they may not consider themselves environmentalists, 90 percent stated that they base their buying decisions in part on the effect their choices will have on the environment.<sup>2</sup>

The demand for EHS excellence brings new opportunities to consumers and producers as innovative new products are developed, but it also brings the potential for consumer confusion where unsubstantiated or exaggerated claims of benefits (or risks from competing products) are made. ACC believes that there is considerable value in claims related to environmental benefit, sustainability, and renewable energy, among others, because appropriately qualified claims can confer important consumer benefits. As FTC Commissioner Deborah Platte Majoras said in her opening remarks at the January 8, 2008 workshop, "From the sun belt to the rust belt to the beltway, consumers are showing increasing interest in environmental issues. And importantly this is influencing their purchasing decisions."

The Guides have provided useful guidance for marketing claims and advertising since their release in 1991 by promoting uniformity and consistency. While providing marketers with a "safe harbor" and certainty about how to make claims, the Guides also continue to offer protection for consumers. Therefore, ACC urges the FTC to revise the Guides and to carefully consider the comments outlined in this submission.

# 2. What benefits have the Guides provided to consumers? What evidence supports the asserted benefits? (FTC Question 2)

The Guides offer protection for consumers against unfair or deceptive acts marketing claims. The basic principles outlined in the Guides help ensure that advertising, labeling or marketing is conducted in such a manner that the claims are clear and readily understood by consumers.

In light of ever changing science and technology in the EHS area, it is difficult for consumers to find accurate information about all the risks and benefits associated with a product. We live in a society that is largely informed and influenced by what is broadcast on the nightly news, published in local newspaper or presented on the Internet. Often these stories are affiliated with incomplete and/or misleading science and scare tactics. Stories are written to emphasize what is

<sup>&</sup>lt;sup>2</sup> Guest, Jim. "Have You Heard." www.consumerreports.org , July 2005. Page 5.

unknown without disclosing adequately what is known. Knight Science Journalism Tracker<sup>3</sup> writes "scary sells more newspapers than does reassurance. . ." It is more important than ever that consumers have confidence that a manufacturer's representations about the environmental attributes of its product are clear, accurate, and not deceptive. They expect that there is a governmental oversight process in which action will be taken as needed.

## **3.** What modifications, if any, should be made to the Guides to increase their benefits to consumers? (FTC Question 3)

#### Human Health Impacts

ACC believes that many "environmental claims" are accompanied by express or implied claims with respect to human health impacts, and these human health claims may require additional attention in the Guides. Marketing claims that solely address human health impacts, however, and have no environmental component, should be considered outside the scope of these Guides.

The FTC does provide an example in its discussion about general environmental benefit claims (Example 4, Section 260.7 (a)), where it is noted that consumers would likely interpret an advertised claim of "practically non-toxic" in the context of "applying not only to human health effects but also to the product's environmental effects." Additional examples of such "hybrid" health/environmental claims with detailed illustration and analysis would be extremely helpful, and we recommend that the FTC consider such examples in the revision.<sup>4</sup>

ACC continues to support the FTC's Division of Advertising Practices' current enforcement priority of monitoring and stopping deceptive internet marketing practices that develop in response to public health issues.

ACC is concerned with marketing claims that assert a product is "free of" a particular chemical or that the product contains "no" such chemical. It is insufficient to make such a claim relying on the fact that the product does not actually contain that substance. The implied claim is for a consumer to understand the advertised product to be safer for the environment and/or safer for human health than a product with chemical 'X'.

Given the prevalence of such claims, we request clarification that where such statements are being made to communicate a general claim of environmental benefit, they should comply with the fundamental principle of the Guides that there should be a reasonable basis for qualifying the claim(s). To the extent "free" and "no" claims are often intended as comparative claims between competing products or materials, such claims should provide a basis for comparison.

<sup>&</sup>lt;sup>3</sup> <u>http://ksjtracker.mit.edu/?p=5133</u>

<sup>&</sup>lt;sup>4</sup> This approach – recognizing that human health impacts can be part of a product's claimed environmental performance – is consistent with the Office of the Federal Environmental Executive's <u>Instructions for Implementing Executive Order 13423</u>.<sup>4</sup> The order states: "Environmentally preferable means "products or services that have a lesser or reduced effect *on human health and the environment* when compared with competing products or services that serve the same purpose." [emphasis added]. EPA's final guidance on Environmentally Preferable Purchasing and other EPA guidance documents also adopt this definition.

### Production Process

The Guides currently set out the general principle that "[a]n environmental marketing claim should be presented in a way that makes clear whether the environmental attribute or benefit being asserted refers to the product, package or service."<sup>5</sup> In some cases, the environmental claim being made does not directly inure to the product, package or service, but the production method or practice or another environmental practice of the manufacturer. A claim that coffee is "sustainably grown," for example, speaks to the product itself. To avoid consumer confusion, this section should be revised to add production process as an additional descriptive category.

### a) What evidence supports your proposed modifications?

Life cycle assessment (LCA) studies recognize that there are multiple environmental attributes of a particular product throughout its complete value chain – from raw material extraction through to disposal and reuse, if applicable. An environmental marketing claim could be made with respect to a product during its progress along the value chain, and LCA studies can be a good tool to consider what type of claims are likely to occur throughout a product's life cycle and what type of substantiation or qualification is necessary. To be clear, ACC is not recommending that a LCA is a necessary precondition to making an environmental marketing claim.

The recently updated ISO 14044, "Environmental Management Standards for Life Cycle Assessment," provide the principles and framework for conducting and reporting LCA studies, and includes certain minimal requirements. LCA is a technique for assessing the environmental aspects and potential impacts associated with a product by (1) compiling an inventory of relevant inputs and outputs of a product system; (2) evaluating the potential environmental impacts associated with those inputs and outputs; and (3) interpreting the results of the inventory analysis and impact assessment phases in relation to the objectives of the study. LCA can assist in

- identifying opportunities to improve the environmental aspects of products at various points in their life cycle;
- supporting decision-making in industry, government or non-governmental organizations (e.g., strategic planning, priority setting, product or process design or redesign;
- selecting of relevant indicators of environmental performance, including measurement techniques; and
- marketing (e.g., an environmental claim, eco-labeling scheme or environmental product declaration).

<sup>&</sup>lt;sup>5</sup> 16 C.F.R. § 260.6.

# 4. What potentially unfair or deceptive environmental marketing claims, if any, are not covered by the Guides? (FTC Question 15)

ACC encourages the FTC to conduct a comprehensive review of existing environmental claims and consumer perceptions regarding those claims to help inform the review process. It may be appropriate to add additional examples of comparative human health claims to the comparative claims section at § 260.6(d). We also suggest that the Commission may wish to explore the use of claims with respect to "biobased," "green," and "natural."

The term "green" has seen increased use in marketing claims, particularly as a synonym for "environmentally friendly" as described in the current Guide. ACC believes that the term has also been associated with specific policies and programs, such as state government purchasing policies. Additional guidance on the use of the term would be helpful in assisting the business community in developing and deploying marketing materials.

In addition, ACC believes that guidance on the terms "carbon neutral" or "carbon neutrality" should be considered. Companies that make claims related to carbon neutrality must be able to substantiate those claims. Widely recognized international standards exist, and should be considered in guidance to help make such claims meaningful and not deceptive.

# 5. What modifications, if any, should be made to the Guides to account for changes in relevant technology or economic conditions? What evidence supports the proposed modifications? (FTC Question 16)

ACC recognizes that the Guides apply to marketing claims made through digital or electronic means, including the Internet and electronic mail. The FTC was careful to provide this explanation in the scope section on the first page of the Guides.

Nevertheless, we are concerned about an apparent proliferation of marketing claims being made on the Internet (e.g., websites, blogs, online videos, and online forums) and we urge the Commission to be clear that the Guides continue to apply in full force to marketing conducted through these media. Given the proliferation of claims, we believe the FTC should step up its educational outreach to advertisers, particularly on the internet. Likewise, the FTC should more prominently publicize enforcement proceedings and decisions on the Internet. In addition, we believe there is value in the FTC enhancing its consumer education programs to promote greater awareness at the purchasing level, and encourage the use of web-based tools to do so.

# 6. Are there are other international laws, regulations and standards with respect to environmental marketing claims that the Commission should consider as it reviews the Guides, including ISO 14021? (FTC Question 18)

As noted in the Statement of purpose, the Guides represent administrative interpretations of U.S. laws administered by the Federal Trade Commission. U.S. law and regulations must be the underpinning for any administrative guidance. We recognize, however, that other international standards may provide useful guidance with respect to the conclusions of all stakeholders in a standard development process that can help inform the FTC's inquiry. Various international

standards may contain evidence of how consumers interpret environmental marketing claims that could be instructive to the FTC's review.

While the FTC could also review certain international standards with respect to seeking to harmonize its guidance with them, most notably with respect to ISO 14020, this would involve careful examination of the standard for variances with existing U.S. laws and regulations. We believe that the need to update the Guides is acute, and that an exercise to explore harmonization with the ISO standard would unduly delay issuance of an update to the Guides.

Examination of ISO 14021 is nevertheless worthwhile for more limited purposes. First, ISO 14021 prohibits all claims of sustainability – a clear inconsistency with current practices, particularly since such claims can be appropriately qualified. ACC believes that the Guides should cover sustainable claims.

Second, ISO 14021 sets out definitions for other environmental claims that are not currently covered by the Guides. The Commission should consider adding specific discussion and illustrations with respect to each of these terms: "design for disassembly," "extended life product," "recovered energy," "reduced energy consumption," "reduced resource use," "reduced water consumption," and "waste reduction."

ISO 14021 may also provide helpful guidance with respect to the use of the "Moebius Loop" symbol (i.e., the three chasing arrows symbol in a triangular shape). FTC's *Complying with the Environmental Marketing Guides* suggests that this image is "likely to convey" that the packaging is both "recyclable" and "recycled," and thus "[u]nless both messages can be substantiated, the claim should make clear whether the reference is to the package's recyclability or its recycled content."

#### **B. Specific Issues**

The FTC has also raised a number of specific issues for comment (72 Fed.Reg. at 66093). ACC agrees that these matters should be addressed in a revision of the Guides, and we provide brief comment here.

# 1. Should the Guides be revised to include guidance regarding renewable energy or carbon offset claims? If so, why, and what guidance should be provided? (FTC Specific Question 1)

ACC believes that the FTC should address claims relating to "renewable energy" or "carbon offsets." The U.S. business of chemistry is unique in that we use energy to make products that save energy. We are the principal supplier of materials that make the U.S. economy more energy-efficient. From insulation materials, roof coatings, lightweight vehicle parts and energy-saving tires to appliances, light bulbs and materials for wind and solar power, our industry is essential to the nation's efforts to save energy and reduce greenhouse gas emissions. As one of America's most energy-intensive sectors, we're improving energy efficiency and reducing greenhouse gas emissions in our own operations.

ACC is not currently aware of marketing claims that promote one product over another on the basis of alleged impacts on carbon or other greenhouse gas emissions (either from the product or the production process). However, we believe there is potential producer and consumer benefit in appropriate guidance on claims related to renewable energy and carbon claims in the revised Guides.

## 2. Should the Guides be revised to include guidance regarding "sustainable" claims? If so, why, and what guidance should be provided? If not, why not? (FTC Specific Question 2)

ACC encourages the FTC to revise the Guides to address marketing claims related to the sustainability of a company and/or its products, as well as claims related to the sustainability of a manufacturing process, design, use, or disposal method. Sustainability is a key priority for the business of chemistry and is essential to the long-term health of our industry, manufacturing in general, and the global economy overall. All businesses should consider sustainability as they make decisions regarding resource utilization, including material selection and energy usage. In addition, organizations should be encouraged to disclose their sustainability performance in meaningful, credible, and comparable ways.

We recognize that the general environmental benefit claims discussion at § 260.7(a) would apply to "sustainable" claims. This section notes that "[u]nqualified general claims of environmental benefit are difficult to interpret, and depending on their context, may convey a wide range of meanings to consumers." ACC agrees with this approach.

In the guidance that the FTC ultimately provides on "sustainable" claims, ACC suggests clarifying that claims of a product *being* "sustainable" are more properly characterized as that a product or process *promotes* or *contributes to* sustainability and/or sustainable outcomes, since sustainability is a process or goal. As the Commission has repeatedly noted in its current Guides, substantiation and qualification are essential to truthful promotion of products and processes and maintaining credibility in the marketplace—misleading or untruthful statements as to sustainability must be avoided.

Most definitions of the term "sustainable" recognize a broad range of factors, including environmental, social, and economic considerations. Because these definitions address overarching societal goals, they do not provide specific guidance for what makes an individual organization, process, or product sustainable. Of course, the Guides do not establish definitions, and reflect that it is the consumer interpretation, not necessarily the technical or scientific definition, that influences environmental claims.<sup>6</sup>

ACC encourages the FTC to not adopt a *specific* definition of "sustainable" for all marketing claims. Rather, individual companies should determine what sustainability factors are the most appropriate for their company or the product or process in question, and marketers should clarify what aspect or aspects of sustainability are addressed by the claim.

<sup>&</sup>lt;sup>6</sup> Complying with the Environmental Marketing Guides at 3.

Additionally, the Guides should discourage unqualified claims that a product or process is "more sustainable" than a competing product, or that a competing product is "not sustainable." All comparative claims should have a clear basis, and the advertiser should be able to substantiate the comparison. This approach is consistent with the comparative claims guidance set out at the current § 260.6(d) of the Guides.

In its current Guides, the FTC frequently provides examples of deceptive and non-deceptive marketing claims. ACC offers the following three examples as "sustainable" claims that would not be deceptive, with appropriate substantiation:

- *"Company A is working to be more sustainable, through its X, Y, and Z initiatives."*
- *"Product B helps make communities more sustainable by providing X, Y, and Z benefits."*
- *"Process C promotes sustainability by reducing air pollution of [particular air pollutant], using X, Y, and Z approaches."*

In each of these three examples, the claimant should be able to clarify its definition of sustainable or sustainability.

Earlier in these comments ACC suggested that the FTC consider including several definitions and examples for terms used in ISO 14021, including reduced energy consumption. Energy conservation or savings are very much related to sustainability, and we again encourage the FTC to cover claims of energy savings as an element of the revised Guides.

Energy loss through walls, roofs, and windows is the largest single waste of energy in most buildings. The products of chemistry confer many energy saving qualities. For example, rigid polyurethane foams are some of the most efficient thermal insulating products for buildings and for improving the efficiency of the building envelope. Innovative material design and advancement have resulted in high quality closed cell insulating products that reduce energy loss. In a one year study, plastic building and construction materials saved 467.2 trillion BTU's of energy over alternative construction materials. Additionally, the energy saved by using plastic building and construction materials. Additionally, the energy saved by using plastic building and construction materials. Additionally, the energy saved by using plastic building and construction materials. Additionally, the energy saved by using plastic building and construction materials. Additionally, the energy saved by using plastic building and construction materials. Additionally, the energy saved by using plastic building and construction materials. Additionally, the energy saved by using plastic building and construction material in one year is enough to meet the average annual energy needs in 4.6 million U.S. households.<sup>7</sup> Polyurethanes are also used in automobile seats, bumpers, interior headliner ceiling sections, and body work. The increased use of polyurethanes in cars (up 9 percent since 1998 alone) enables manufacturers to reduce the weight of cars and increase fuel economy.<sup>8</sup> Appropriate product claims around energy savings – claims that are clear, substantiated, and not overstated – should be encouraged in the revised Guides.

<sup>&</sup>lt;sup>7</sup> Polyurethane and Polyisocyanurate Foams, <u>www.polyurethane.org</u>, 2004.

<sup>&</sup>lt;sup>8</sup> Center for the Polyurethanes Industry's website: <u>www.polyurethane.org</u>.

#### a) What evidence supports making your proposed revisions?

Due to the broad range of factors found in many definitions of "sustainable," claims of sustainability could create additional difficulties in interpretation compared to general claims of environmental benefits which are already addressed in the Guides.

Executive Order 13423 outlines the broad factors involved in sustainability as the "conditions, under which humans and nature can exist in productive harmony, that permit fulfilling the social, economic, and other requirements of present and future generations of Americans."<sup>9</sup> Given the broad range of elements affecting sustainability, it is important that claims of sustainability clarify what facet is being addressed. The FTC should consider providing guidance to companies on the data, information, and materials necessary to substantiate claims of sustainability.

## b) What evidence is available concerning consumers' understanding of the term "sustainable"?

Although it is clear that consumers have different understandings of what the term "sustainable" means, it is also clear that there are a significant number of consumers with an interest in sustainability and related concepts. For example, in 2006, it was estimated there is a \$91 million market for voluntary carbon offset sales, sales which notionally can be attributed to interests in carbon emissions reduction as an effort to promote sustainability.<sup>10</sup> This again points to why the commission should not adopt a specific definition of "sustainable" and should instead encourage companies to clarify their claims of sustainability to identify the particular aspects of sustainability being addressed. The lack of a definition of "sustainable" has not stopped the development of organizations defining sustainable products or sustainable concepts. For instance, the Sustainable Packaging Coalition<sup>11</sup> boasts over one hundred member organizations. While the Coalition has not defined "sustainability," it has defined "sustainable packaging" based on specific criteria.

#### c) What evidence constitutes a reasonable basis to support a sustainable claim?

In general, ACC believes that a reasonable basis for supporting a "sustainable" claim is substantiation of environmental, social, and/or economic improvements or enhancements, as well as balancing current needs with needs of future generations. As noted earlier in the context of multiple environmental claims, ACC also believes that a life cycle approach can provide appropriate support to claims of sustainability.

<sup>&</sup>lt;sup>9</sup> 72 Fed.Reg. 3919, 3922-23 (Jan. 26, 2007).

<sup>&</sup>lt;sup>10</sup> See "Scrutiny Rises Over Carbon-Offset Sales Process", Jeffrey Ball and Ian Talley, *Wall Street Journal*, Jan. 9, 2008 at A13.

<sup>&</sup>lt;sup>11</sup> <u>www.sustainablepackaging.org</u>

## 3. Should the Guides be revised to include guidance regarding "renewable" claims? If so, why, and what guidance should be provided? If not, why not? (FTC Question 3)

The Guides should be revised to include guidance regarding "renewable" claims. "Green Chemistry" initiatives are driving attention to renewables,<sup>12</sup> and consumers are interested in purchasing products that have this attribute. Renewability could describe products that are made of and manufactured with renewable resources.

We believe the existing guidance with respect to recyclability claims provides an excellent template for analyzing renewable claims. Section 260.7(d) states that "unqualified claims of recyclability for a product or package may be made if the entire product or package, excluding minor incidental components, is recyclable." We would extend that analysis to product, package, service, and production process.

#### a) What evidence supports making your proposed revisions?

Companies across the chemical industry are increasing their use of renewable materials as alternatives to traditional feedstocks. In the polyurethane industry, for example, producing polyols from natural oils such as soy has increased considerably, and is seen as a viable alternative to other feedstocks.<sup>13</sup>

#### c) What evidence constitutes a reasonable basis to support a renewable claim?

ACC offers the following examples as "renewable" claims that would and would not be deceptive:

- A product is labeled with an unqualified claim "renewable," without further elaboration. The claim would be deceptive as it does not provide the public with information that can be used to evaluate it.
- A second product is labeled, "uses 20% renewable feedstock," where the feedstock is derived from natural oils. This claim is not deceptive.

4. The Guides suggest that recycled content be calculated on the annual weighted average of a product. Should the Guides be revised to include alternative methods of calculating recycled content used by a manufacturer across many or all of its product lines? If so, why and what is the appropriate methods of calculation? If not, why not? What evidence supports making your proposed revisions? (FTC Question 5)

Recycled content should continue to be calculated on the annual weighted average of the actual product (or packaging) because it is the most accurate and fair method of determining recycled

<sup>&</sup>lt;sup>12</sup> Green Chemistry initiatives are underway in a number of academic and research institutions, and under consideration by a number of State government bodies. Many are predicated on a view of Green Chemistry first articulated by Dr. Paul Anastas and Dr. John Warner, in *Green Chemistry: Theory and Practice* (Oxford University Press: New York, 1998). It is important to note that the Twelve Principles addressed by Anastas and Warner are intended as guidance only, and not a list of mandatory requirements for Green Chemistry approaches.

<sup>&</sup>lt;sup>13</sup> 2006 End Use Market Survey on the Polyurethane Industry, 2007.

content. Calculating recycled content by this method does not deceive consumers into believing a product or package has more recycled content than it does.

Further, ACC continues to support current FTC guidelines whereby material from the product or packaging manufacturing process (pre-consumer material) and post-consumer material are both counted as recycled content in products or packaging. Allowing pre-consumer material to count as recycled content supports better environmental practices. It will help ensure that these materials, which would otherwise be destined for disposal, be returned to the original manufacturer for processing, thus keeping more materials out of landfills.

Lastly, ACC continues to support current FTC guidelines whereby original manufacturer industrial scrap should not be considered recycled content, since that material is typically re-used in the original manufacturing process and requires minimal processing.

5. The Guides provide that an unqualified claim that a product or package is degradable, biodegradable or photodegradable should be substantiated by competent and reliable scientific evidence that the entire product or package will completely break down and return to nature within a "reasonably short period of time after customary disposal." Should the Guides be revised to provide more specificity with respect to the time frame for product decomposition? If so, why and what should the time frame be? If not, why not? What evidence supports making your proposed revision? (FTC Question 6)

ACC believes that claims of degradability and biodegradability provide important information to consumers, subject to appropriate qualification and definition. The Guides currently contains a lengthy discussion of the terms "degradable/biodegradable/photodegradable." The current text provides that an "unqualified claim that a product or package is degradable, biodegradable or photodegradable should be substantiated by competent and reliable scientific evidence that the entire product or package will completely break down and return to nature...within a reasonably short period of time after customary disposal." The Guides appropriately recognize that such claims should be qualified to avoid consumer deception about (1) the product or package's ability to degrade in the environment where it is customarily disposed; and (2) the rate and extent of degradation.

ACC continues to support the FTC's requirement that the entire product or package <u>will</u> completely break down and return to nature. The Commission might include an example that distinguishes between the mere demonstration that a product or package has the "ability to" degrade, as opposed to providing competent and reliable scientific evidence specific to the area of customary disposal (e.g., a specific type of landfill). The former should be inadequate under the Guides.

In addition, since there is no single time period relevant to all products and conditions, it will be very difficult to define with specificity what constitutes a "reasonably short period of time." A number of resources, such as those available from the Biodegradable Products Institute,<sup>14</sup> address this fundamental issue.

<sup>&</sup>lt;sup>14</sup> See <u>http://www.bipworld.org</u>

The current Guide provides some guidance on claims concerning waste reduction, of course. Given the breadth of claims related to waste reduction, however, ACC believes that the FTC should consider expanding the guidance to address waste issues that arise all along the value chain from manufacturing to disposal. This includes guidance related to claims of waste reduction due to:

- Reduced raw material requirements.
- Reduced use of hazardous materials, including reductions through substitution in a process or through an alternative material.
- Reduced disposal rates due to extensions in product life.