

February 10, 2008

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

Re:

Green Guides Regulatory Review 16 CFR Part 260- Comment Project No. P 954501

## Dear Sir/Madame:

Pratt Industries is the seventh largest paper and paper-based packaging company in the United States, employing 3,500 people at two of the most modern cost effective paper mills in the country and at box and sheet plants in more than 20 states. It is a long time champion of recycling, producing paper at both its mills entirely from 100% recycled post-consumer waste paper sourced through a variety of innovative methods. In this regard, Pratt Industries follows in the footsteps of its Australian affiliate, Visy Industries, which pioneered the production of high quality paper based packaging exclusively from recycled fiber more than 25 years ago.

As a long-time advocate of diverting all forms of paper from the waste stream and landfills, where it occupies precious space and generates vast amount of greenhouse gas emissions, we appreciate efforts, like those embodied in the Green Guides, to clarify and enrich public awareness and discourse on these and other important environmental topics. With respect to your Questions 1 and 2, we believe there is a continuing need for the Green Guides, as there is for every effort to improve consumer awareness, foster clarity and assure that consumers, whether businesses or individuals, understand their choices in the marketplace and can make informed decisions.

The fact that so many companies seek to use eco-friendly terms like "recycled" and "recyclable" itself testifies to the power these terms have in a marketplace of consumers growing continually more aware of the environmental impact of their consumption patterns and habits and, equally important, of their ability to make a difference in the quality of our environment by their own individual choices. Moreover, we have seen how procurement policies of federal, state and local governments and private industry which mandate purchasing products with recycled content, or which are themselves recyclable, when available, has directly stimulated demand for our products.

While governments and large businesses can, if they choose, promulgate definitions and standards to meet their individual needs, for small businesses and individual consumers the



Federal Trade Commission February 10, 2008 Page 2

ability to rely on a commonly accepted lexicon based on sound principles is essential. It reduces costs they might otherwise have to incur to try to meet environmentally based objectives in their own purchasing, use and disposal of products. While it does not directly mandate behavior, by facilitating informed decisions, it allows the marketplace to better allocate resources based on informed decision-making, thereby fostering factually based environmentally sound choices.

In response to your Question 3, in our view, the Commission faces two critical challenges with regard to the Green Guides:

1. To make sure that they remain current with changes in knowledge and technology.

This effort is well served by a regular review and updating process than seeks comments and suggestions from a wide constituency like that being conducted by the Commission. We would suggest that reasonable efforts be made to ensure that responses are sought from interested parties other than those industries most immediately affected. The effort to ensure continuing value of the Green Guides is also well-served by the approach of the Commission to try to identify and establish principles and methodologies for evaluating environmental claims that can provide guidance even for terms not yet in use and specifically mentioned.

2. To ensure that the important public policies of the Green Guides are not thwarted by efforts to use the Green Guides in a manner that would reduce, rather than enhance, the delivery of relevant, important information to participants in the marketplace.

Precisely because environmental based claims have come to have considerable significance to customers, there will be participants in the marketplace who will seek to denigrate those claims, not because they are inaccurate, or fail to convey meaningful information, but because they do the opposite, and by doing so affect consumer behavior, and disadvantage certain suppliers.

It is important that the Green Guides not become an impediment to conveying relevant information and preventing consumers from making informed choices. This would be particularly disadvantageous to smaller innovative businesses seeking to provide consumers with products produced in new ways that depart from conventional methods used by established suppliers. The ability to convey differences with a convenient and readily comprehensible lexicon should not be prohibited.

We detect such efforts in two specific suggestions that we understand have been put forth by other producers of paper packaging or trade organizations in the paper and paper packaging industries, particularly in response to your Question 7. Federal Trade Commission February 10, 2008 Page 3

One pertains the important term "post-consumer" used in describing recycled content of manufactured products, while the other refers to claims based on "saving trees."

The term "post-consumer" has been one of great importance in the recycling industry. It has been directly adopted in specifications of a number of purchases including the federal government. This is evident in the Paper Products Recovered Materials Advisory Notice published by the Environmental Protection Agency, which after debate and revisions included this important distinction, explaining that to be "post-consumer" the material had to be seen in its intended use.

As noted in the Green Guidelines, the concept inherent in recycling is diversion from the waste stream. It is the idea of taking products that have served their intended use and reusing them as a manufacturing input rather than sending them to landfill. And central to that idea is to change the behavior of consumers who might otherwise simply discard such items. For consumers there is typically no direct and immediate consequence to discarding rather than recycling, and there is little immediate benefit to eliminating this contribution to the waste stream. The costs are often externalized and experienced only remotely. The great challenge is to change this behavior through education and awareness of the societal benefits of recycling.

This is far different and readily distinguishable from the actions of a manufacturer who simply tightens the manufacturing process to minimize waste even if that is accomplished by taking the material that escapes the process or emerges below specification and simply reuses it as input to the same process. In that situation, costs are internalized and market pressures and technology will drive the pursuit of greater efficiency.

We applaud the Green Guides for noting this distinction and making clear that the latter, sometimes referred to as "pre-consumer" recycling is not recycling. Moreover, we find absolutely no merit in those who would argue that the imperative for post-consumer recycling has been eliminated because recycling rates have increased, or because by some measures the rates of "pre-consumer" and "post-consumer" recycling are similar. The simple fact remains that even where recycling rates have finally exceeded 50%, a vast sea of paper still goes to landfill daily, and still constitutes the largest component of municipal waste. Much remains to be done; the public policy imperative of targeting "post-consumer" recycling remains compelling, and the distinction between the two kinds of activities remains valid.

With respect to "trees saved," the arguments put forth by opponents of this terminology have little merit. The simple meaning of this concept cannot be obscured or diminished by resort to hyperbole. The facts are quite simple. Not even

Federal Trade Commission February 10, 2008 Page 4

> a single tree can be used to manufacture a ton of 100% post-consumer recycled paper. Given the abundance of post-consumer waste paper, using recycled fiber plainly saves trees. Whether those trees are spared for use to make other packaging, are harvested for other purposes, or simply allowed to remain standing and absorb carbon dioxide until they are felled, succumb to disease, rot, or insects, are destroyed by hurricanes, floods or fires, makes no difference. The fact remains that trees are spared when fiber is reused; trees are saved.

In terms of quantifying the number of trees spared, studies are available that analyze forest management practices and paper pulp yields. Using the provided information allows for a reasonable estimate of the number of trees saved by making a ton of paper entirely from recycled post-consumer fiber as compared with making the same ton of paper entirely from virgin fiber. Moreover, the savings are even more dramatic since the fiber originally derived from trees can be recycled not just once, but at least ten and probably more than fifteen times on average before the wear and tear of use and remanufacturing makes the fiber unusable for future use in making paper and packaging. To be sure, the limited useful life of fiber means that the paper industry is dependent on new fiber from virgin sources being injected into the fiber stream regularly, and trees are renewable; new trees for making paper can be grown in about two decades. But to suggest that recycling fiber to the maximum possible extent does not save trees is simply specious. Reuse and recycling always reduce consumption of virgin material.

We appreciate this opportunity to respond to your request for comments and applaud the Commission on its continued efforts to achieve clarity and foster the communication of useful information in this area.

Sincerely yours,

Shaukat Syed Director Environmental Services

Brian McPheely, COO cc:

Bob Pelchat, Mill Division Convers