Federal Trade Commission Proposes Revised "Green Guides"

Protecting America's Consumers

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Federal Trade Commission Proposes Revised "Green Guides"

Seeks Public Comment on Changes that Would Update Guides and Make Them Easier to Use

The Federal Trade Commission today proposed revisions to the guidance that it gives marketers to help them avoid making misleading environmental claims. The proposed changes are designed to update the Guides and make them easier for companies to understand and use. The changes to the "Green Guides" include new guidance on marketers' use of product certifications and seals of approval, "renewable energy" claims, "renewable materials" claims, and "carbon offset" claims. The FTC is seeking public comments on the proposed changes until December 10, 2010, after which it will decide which changes to make final.

"In recent years, businesses have increasingly used 'green' marketing to capture consumers' attention and move Americans toward a more environmentally friendly future. But what companies think green claims mean and what consumers really understand are sometimes two different things," said FTC Chairman Jon Leibowitz. "The proposed updates to the Green Guides will help businesses better align their product claims with consumer expectations."

The Green Guides were first issued in 1992 to help marketers ensure that the claims they are making are true and substantiated. The Guides were revised in 1996 and 1998. The guidance they provide includes: 1) general principles that apply to all environmental marketing claims; 2) how consumers are likely to interpret particular claims and how marketers can substantiate these claims; and 3) how marketers can qualify their claims to avoid deceiving consumers.

The proposed Guides issued today include changes designed to strengthen the FTC's guidance on those marketing claims that are already addressed in the current Guides as well as to provide new guidance on marketing claims that were not common when the Guides were last updated. The proposed changes were developed using information collected from three public workshops, public comments, and a study of how consumers understand certain environmental claims.

Proposed Revisions to the Guides

The revised Guides caution marketers not to make blanket, general claims that a product is "environmentally friendly" or "eco-friendly" because the FTC's consumer perception study confirms that such claims are likely to suggest that the product has specific and far-reaching environmental benefits. Very few products, if any, have all the attributes consumers seem to perceive from such claims, making these claims nearly impossible to substantiate.

The proposed Guides also caution marketers not to use unqualified certifications or seals of approval – those that do not specify the basis for the certification. The Guides more prominently state that unqualified product certifications and seals of approval likely constitute general environmental benefit claims, and they advise marketers that the qualifications they apply to certifications or seals should be clear, prominent, and specific.

Next, the proposed revised Guides advise marketers how consumers are likely to understand certain environmental claims, including that a product is degradable, compostable, or "free of" a particular substance. For example, if a marketer claims that a product that is thrown in the trash is "degradable," it should decompose in a "reasonably short period of time" – no more than one year.

New Guidance Proposed

The proposed changes would update the Guides by giving advice about claims that are not addressed in the current Guides, such as claims about the use of "renewable materials" and "renewable energy." The FTC's consumer perception research suggests that consumers could be misled by these claims because they interpret them differently than marketers intend. Because of this, the Guides advise marketers to provide specific information about the materials and energy used. Moreover, marketers should not make unqualified renewable energy claims if the power used to manufacture any part of the product was derived from fossil fuels.

The proposed revised Guides also provide new advice about carbon offset claims. Carbon offsets fund projects that reduce greenhouse gas emissions in one place in order to counterbalance or "offset" emissions that occur elsewhere. The Guides advise marketers to disclose if the emission reductions that are being offset by a consumer's purchase will not occur within two years. They also advise marketers to avoid advertising an offset if the activity that produces the offset is already required by law.
The FTC is seeking comment on all aspects of its proposal. Examples include:

- How should marketers qualify "made with renewable materials" claims, if at all, to avoid deception?
- Should the FTC provide guidance concerning how long consumers think it will take a liquid substance to completely degrade?
- How do consumers understand "carbon offset" and "carbon neutral" claims? Is there any evidence of consumer confusion concerning the use of these claims?

A complete set of questions can be found in Section VII of the Guides – Request for Comment.

In addition, the proposed Guides have been reorganized and simplified where possible so they are easier for businesses to read and use.

Finally, either because the FTC lacks a sufficient basis to provide meaningful guidance or because the FTC wants to avoid proposing guidance that duplicates rules or guidance of other agencies, the proposed Guides do not address use of the terms "sustainable," "natural," and "organic." Organic claims made for textiles and other products derived from agricultural products are currently covered by the U.S. Department of Agriculture’s National Organic Program.

The Commission vote approving the issuance of the proposed revised Green Guides for public comment was 5-0. They can be found on the FTC’s website and as a link to this press release at [http://www.ftc.gov/os/fedreg/2010/october/101006greenguidesfrn.pdf](http://www.ftc.gov/os/fedreg/2010/october/101006greenguidesfrn.pdf). A summary of the proposed revised Guides can be found at [http://www.ftc.gov/os/2010/10/101006greenguidesproposal.pdf](http://www.ftc.gov/os/2010/10/101006greenguidesproposal.pdf). The FTC is accepting comments on the Guides for 60 days, beginning today and continuing until December 10, 2010. Interested parties can submit comments in paper form by following the instructions in the "Request for Comment” section of the Federal Register notice. Comments can be submitted electronically at: [https://ftcpublic.commentworks.com/ftc/revisedgreenguides](https://ftcpublic.commentworks.com/ftc/revisedgreenguides).

The Federal Trade Commission works for consumers to prevent fraudulent, deceptive, and unfair business practices and to provide information to help spot, stop, and avoid them. To file a complaint in English or Spanish, visit the FTC’s online Complaint Assistant or call 1-877-FTC-HELP (1-877-382-4357). The FTC enters complaints into Consumer Sentinel, a secure, online database available to more than 1,800 civil and criminal law enforcement agencies in the U.S. and abroad. The FTC’s website provides free information on a variety of consumer topics.

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Related Items:

16 C.F.R. Part 260: Guides for the Use of Environmental Marketing Claims: Request for Public Comment on Proposed, Revised Guides, FTC File No. P954501

- Text of the Federal Register Notice (with table of contents)
- Green Guides Summary of Proposal
- Additional Information about Green Guides Review

Media Advisory: October 5, 2010
FTC to Hold Media Phone Briefing on Proposed Changes to the Agency’s Green Marketing Guides