

Environmental Marketing Claims

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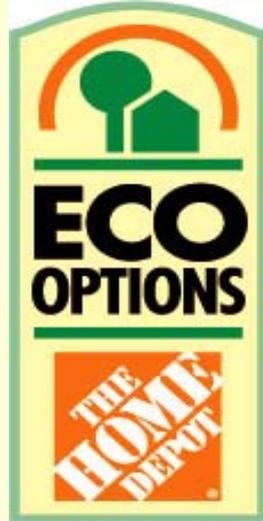




SFI
CERTIFIED PARTICIPANT

100 PERCENT OF THE FIBER USED IN THIS PRODUCT COMES FROM INDEPENDENTLY CERTIFIED FORESTS

WWW.SFIPROGRAM.ORG



Green Globes™ System

It's like having a 24-hour sustainability design consultant online.

The Green Globes™ system is a revolutionary green management tool that includes an assessment protocol, rating system and guide for integrating environmentally friendly design into commercial buildings. Once complete, it also facilitates recognition of the project through third-party verification. It's an interactive, flexible and affordable approach to environmental design.



GUIDES FOR THE USE OF ENVIRONMENTAL MARKETING CLAIMS (GREEN GUIDES)

16 C.F.R. Part 260

www.ftc.gov/energy



2008 Green Program

- FTC regulatory review -Federal Register notices
 - Comments - current Green Guides
 - Comments - new claims (sustainable, renewable, carbon offsets, etc.)
- Workshops/meetings on developing issues
 - First workshop – Carbon Offsets and RECs (1/8/08)
 - Second workshop – Green Guides and Packaging (4/30/08)
 - Third workshop – Green Building and Textiles (7/15/08)



Outline

- FTC Advertising Law
- FTC's Green Guides
- Specific “Green” Claims



FTC Act

- Tell the truth
- Have substantiation



Ad Claims--Two Step Inquiry

1. **Consumer Perception:** What claims does the ad convey to reasonable consumers?
2. **Substantiation:** Does the advertiser have “competent and reliable evidence” to substantiate those claims?



Building Product Claims

“Our flooring is made from 100% recycled metal.”



“We are pleased to offer a low odor, low VOC paint approved by Earth Seal.”



FTC's Green Guides

- Apply to all forms of marketing claims
- Apply to business to consumer and business to business claims
- Don't set performance standards or eco-labels



General Guide Principles

- Consumer perception of claims controls
- Use specific claims
- Don't overstate product attributes
- Use clear & prominent qualifications



Types of Marketing Claims

- General environmental benefits
- Degradable, biodegradable & photodegradable
- Compostable
- Recycled content
- Recyclable
- Source reduction
- Refillable
- Ozone safe/ozone friendly
- Non-toxic

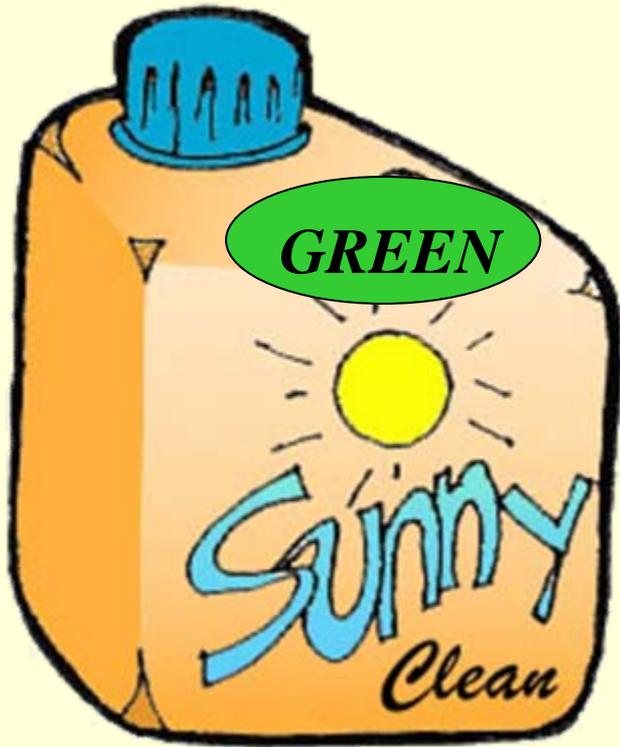


General Environmental Claims

- Such as “Environmentally friendly,” “Green,” “Eco-Safe”
- May be confusing to consumers
- Substantiate ALL express and implied claims
- Qualify broad claims
 - Identify the specific attribute to which the general claim refers



General Environmental Claims



- General claims – broad, confusing
- Qualify - identify “green” attribute
- Seal could imply superiority



Environmental Seals of Approval

- “Earth Smart” seal may imply that product is superior
- Explain basis for award
- Limit superiority claim to attributes that can be substantiated



Third Party Certifications

- Independent from advertiser
- Professional expertise in area
- Certification does not insulate advertiser
- Avoid broad claims



Life Cycle Claims

- Current Green Guides
 - Staff unaware of consumer research indicating that consumers evaluate “green” claims based on LCA
 - Do not address life cycle claims because FTC lacks sufficient info on which to base guidance
- Should FTC *update* life cycle discussion in Green Guides?



Potential Consequences Of Deceptive Practices

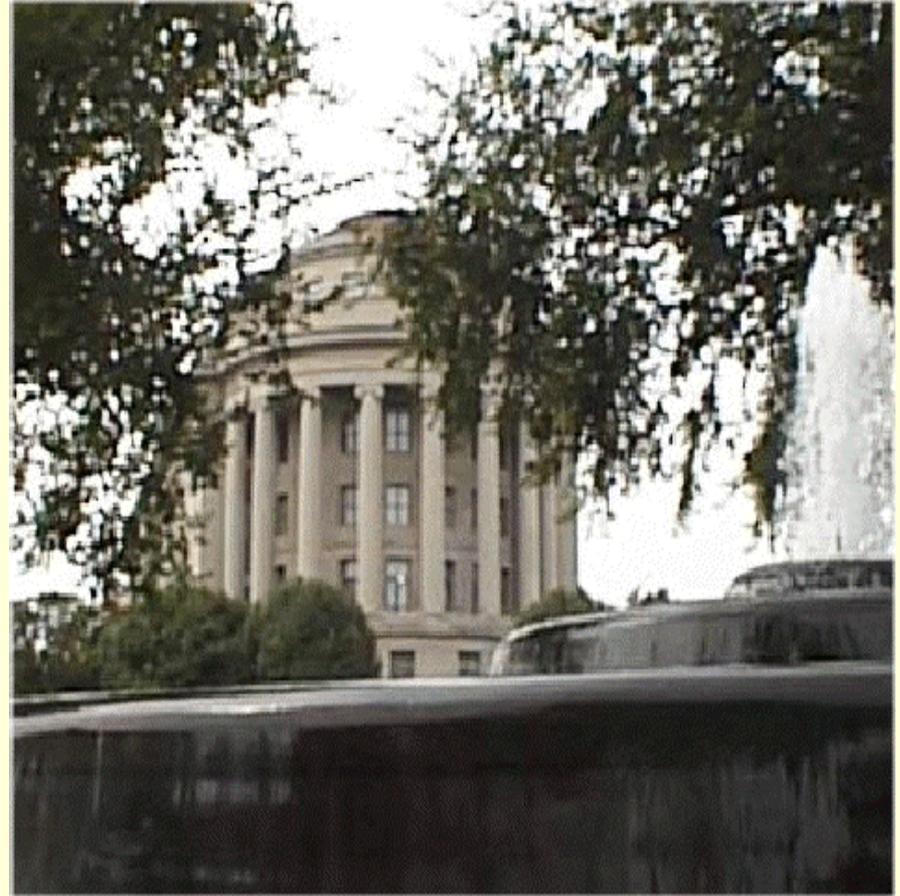
- Cease and desist orders
- Refunds for consumers (redress)
- Disgorgement of ill-gotten gains
- Informational remedies – such as corrective advertising, disclosures in future ads or on product labeling



Federal Trade Commission

www.ftc.gov/green

THANK YOU!



Is *Green* Housing Healthier?

A. YES!

B. NO!

C. Maybe?

***Guess which is the government's
answer ...***

Indoor Air Quality (IAQ):
Is it **Green**
or is it Gray?

What is Indoor Air Quality (IAQ)?

3. DEFINITIONS

acceptable indoor air quality: air toward which a substantial majority of occupants express no dissatisfaction with respect to odor and sensory irritation and in which there are not likely to be contaminants at concentrations that are known to pose a health risk.

ASHRAE Standard 62.2-2004

What Are Known *Health Risks*?

- *ETS exposure causes lung cancer – don't smoke or allow others to smoke in your home!*
- *Radon causes >20,000 lung cancer deaths per year.*
- *Asthma epidemic (20 million Americans have it) & almost 2 million ER visits per year, & 3,000 deaths/year.*
- *Indoor dampness increases risk of respiratory problems by 30% to 50%.*
- *EPA estimates indoor air typically has 2-5 times more chemical pollutants than outdoor air*

Now consider this:

- *People spend >90% of their time indoors, and >60% in their homes!*

What Contaminants Are “Known to Pose a *Health Risk*”?

- Lead ...
- Radon & ETS are both linked to lung cancer
- TVOC has not been linked to health effects, but ...
- Individual VOCs (like Formaldehyde & Benzene) and SVOCs (like PAH's & dioxins) are all linked cancer
- Many VOC's linked to acute health effects
- Indoor dampness linked to respiratory illness, & increases asthma risk 30% to 50%
- Many other known indoor asthma triggers
- CO kills at high levels; other effects at low levels
- Pesticides linked to acute & chronic health effects
- PM linked to respiratory illness & heart disease

What's Still Unknown?

Pollutant Sources



Occupant Exposures

Pollutant Sources



Occupant Exposures



Individual Physiology

Pollutant Sources



Occupant Exposures

Individual Physiology



Health Effects

Pollutant Sources



Occupant Exposures

Individual Physiology



Health Effects

Individual Physiology

Health Effects



Health Effects

Does **Green** Mean Good IAQ?

- Certified
- Bronze
- Silver
- Gold
- Platinum
- Emerald

?

?

?

Other Green Attributes Competing with IAQ for Points

- Energy Efficiency
- Materials & Resources
- House Size
- Sustainable Sites
- *Indoor Air Quality*
- Water Efficiency
- Innovative Design

Which IAQ points
will most “Green”
builders choose?

Non-Mandatory Measures?

- Bulk Moisture Control
 - Water managed wall, roof, foundation system
- Radon Control
- Effective Garage Isolation
- Low VOC Materials
 - Low formaldehyde materials (boards, carpets/pads)
- Sealed Combustion Appliances
- Efficient, Low-emission Fireplaces

What IAQ features do consumers buy?



Air Cleaners



Air Fresheners



UV Lights

Over \$1 Billion Sold!

How to help customers get Better IAQ?

IAQ Risk Reduction Principles:

- 1. Source Control** – eliminate, substitute, or remove pollutant sources
- 2. Ventilation** – dilute unavoidable pollutants
- 3. Air Cleaning/Filtration** – capture targeted pollutants, only after source control & ventilation
- 4. and Education**

Indoor Air Plus: An IAQ target / baseline

**ENERGY STAR
QUALIFIED HOME**



Pest Barriers



Moisture Control



**Indoor
Air Plus**



Radon Control



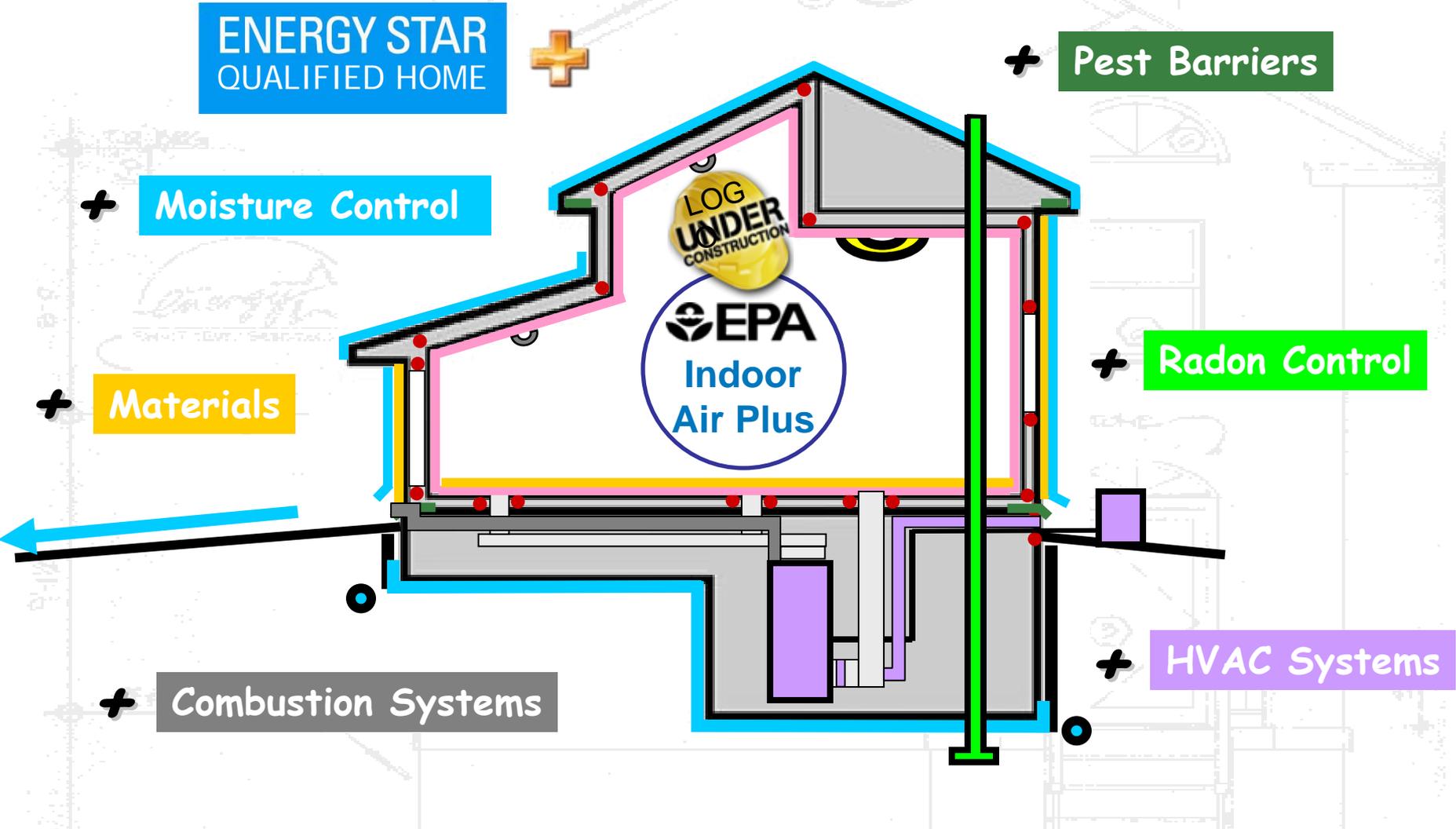
Materials



HVAC Systems



Combustion Systems



EPA Indoor Air Plus: Air Plus: turning ~~Green~~ Gray into Black & White



EPA Indoor Air PLUS Verification Checklist



Address or District:		Date:		Verified:		
City/State/Zip:				Y/N	Y/N	Y/N
Section	Requirements (see IAP Construction Specifications for details)	Y/N	Y/N	Y/N	Y/N	Y/N
Moisture Control	Water-Managed Site and Foundation:					
	1.1	Site and foundation drainage sloped grade, protected drain tile, & foundation floor drains				
	1.2	Leaky drain (other concrete walls & in condensates) (exceptions - see spec)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	1.3	Foundation wall damp-proofing (floors to below grade walls)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	1.4	Basement floor/condensates insulated & conditioned (exceptions - see spec)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Water-Managed Wall Assemblies:					
	1.5	Continuous drainage plane behind exterior cladding, properly flashed to foundation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	1.6	Fully flash windows and door openings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Water-Managed Roof Assemblies:					
	1.7	Subsidiary waterproofing extending under minimum 7' from foundation (except dry climates)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.8	Fully flash roof and transitions (day & night) (flashing) and all roof penetrations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
1.9	Waterproof membrane at valleys & penetrations (except dry climates)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
1.10	Ice sealing at eaves (except climates 1-4)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Electrical Moisture Management:						
1.11	Moisture resistant materials/protection systems (i.e., flooring, subflooring, backing, & pipe insulation)					
1.12	No vapor barriers on interior side of exterior walls with high condensation potential	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
1.13	Do not enclose wet or water-damaged materials in building assemblies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Radon	2.1	Radon resistant features per ASTM E1499, IRC Appendix R, or equivalent (BPA Zone 1)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	2.2	Provide basement 2 radon test kits & instructions (BPA Zones 1 & 2)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	2.3	Seal foundation joints & penetrations, including all light sweep covers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
HRV/ERV	3.1 Corrosion proof exterior/indoor screens at all intentional openings (e.g., attic vents)					
	4.1	HRV/ERV unit calculations & equipment design documentation				
	4.2	Unit system design documentation & installation CFM performance tested	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	4.3	No air handler or ducts in garage, continuous air barrier required in adjacent assemblies				
	4.4	Return pressure balanced (individual room returns or jump/damper grille) CFM tested	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	4.5	Moisture house ventilation system per ASHRAE 62.2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	4.6	Local exhaust ventilation to outdoors (i.e., toilets, tubs/shower, clothes dryer, central vac, etc.)				
	4.7	No venting & filtration to common gasrooms, minimum MERV 8 filter, no filter bypass				
4.8	Additional dehumidification or independent RH control (Warm-Humid climates only)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Combustion Appliance Controls	5.1 Gas heat direct vented, oil heat & water heaters power vented or direct vented					
	5.2	Fireplaces/heating stoves vented outdoors & meet emissions/efficiency standards/clearances	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	5.3	Central hot water in each sleeping zone (e.g., common hallways)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	5.4	No smoking in common areas & outside smoking minimum 20' from openings (MUI family only)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Attached Garage Installation: (Should be attached garage)					
5.5	No seal common wall/partitions between house & garage, house doors gasketed with rubber	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
5.6	Continuously sealed exhaust fan (minimum 70 cfm) in attached garages (garages optional)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Interior Parts & Systems Certified for VOC	6.1	Interior wood materials (plywood, OSB, MDF, substrate) certified low formaldehyde	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	6.2	Interior paints & finishes certified low VOC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	6.3	Carpet, adhesives, & cushion qualified for CH Green Label Plus or Green Label	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Final	7.1	HRV/ERV & additional dehumidification, dehumid, change filter, seal airflow test, & register airflow	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	7.2	Sealable home before occupancy OR submit report (document)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	7.3	Provide home logs with completed checklist, house plans/specs, and equipment documentation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rate/Provider:		Builder:				
Company:		Company:				
Signature:		Signature:				

8/6/2008
FINAL DRAFT
<http://www.epa.gov/epl/indoorairplus>

Requirements vs. Credits

	IAP	LEED-H	NAHB
Moisture	Yes	Maybe	Maybe
Radon	Yes	Yes	Maybe
Pests	Yes	Maybe	Maybe
HVAC	Yes	Yes	Maybe
Combustion	Yes	Maybe	Maybe
Materials	Yes	Maybe	Maybe

Examples of Qualified **Green** Homes (hypothetical) based on minimum point requirements

LEED-H

- Requirements & minimum points cover: radon control (Z1), “durability plan”, direct vent, 62.2 ventilation, HVAC design, MERV 8
- Leave off: important moisture control details, pest barriers, low-VOC materials, garage isolation, efficient fireplace

NAHB

- Minimum points cover: direct vent furnace, no fireplace, garage air barrier, & ERV
- Leave off: moisture control, radon control, kitchen exhaust, pest barriers, low-VOC materials, **garage isolation**



BUILDING A FRAMEWORK FOR HEALTHY HOUSING

Green Initiative

**HUD's Office of Affordable Housing Preservation
(OAHP)**

HUD's Green Initiative:

Introduced in 2007, the Green Initiative is a pilot to encourage owners of certain affordable, multifamily properties to rehabilitate and operate properties using sustainable Green Building principles.



Some HUD Background:

- Energy Efficiency Efforts
- Office of Healthy Homes
- The Mark-to-Market (M2M) Program
 - Created by Congress in 1997
 - Preservation of Existing Housing Stock
 - Rehabilitates Section 8 Properties
 - Restructures Underlying Mortgage Debt
 - 1,700 Properties with over 150,000 Units Completed to Date



Why pilot **Green** in M2M?

- **Challenges of bringing green to most of the HUD-assisted portfolio.**
- **Opportunity to fund these efforts in a representative sample of the HUD portfolio.**
- **Ability to collect real data from within the HUD portfolio for broader application.**
- **Property owner incentives to go green.**
- **The Pilot Program works within existing M2M statutes and regulations, and within current budget authorities.**



Owner Incentives to Go Green:

Currently 55 Properties / 5,700 Units in Pilot

Owner Incentives:

- Reduced Owner Contribution to Rehab
- Increased Incentive Performance Fee (IPF)
- Potential Cash Flow Increase from Savings
- Improved Property
- Incentives Tied to Verified Performance



IEQ in M2M Green Initiative

Required Improvements:

- Temperature and Humidity Monitoring of All Units
- Integrated Pest Management (IPM)
- Carbon Monoxide alarms Radon testing, where appropriate
- Green Operations & Maintenance Plan Requirement-
cleaners, solvents, tenant education and incentives,
replacements
- IEQ Monitoring/Testing to be done on Sampling Basis;
owner agreement to future IEQ testing



IEQ in M2M Green Initiative

Recommended/Incentivized Improvements:

- No- or Low-VOC paints, adhesives, and sealants
- No-formaldehyde cabinets and countertops
- Floors: Wood, linoleum, recycled and/or No-VOC Carpeting
- Walk-off mats at entries
- Appropriate exhaust in kitchens and baths



More Information on HUD's Green Initiative:

- OAHP Green Website:

<http://hudstage.hud.gov/offices/hsg/omhar/paes/greenini.cfm>

- OAHP Resource Desk Q&A:

www.oahp.net/ (Free Registration)

- Contact for Green Initiative Information:

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