

FTC news

Federal Trade Commission Washington, D.C. 20580 (202) 326-2180

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**MANUFACTURER OF CHINET® DISPOSABLE TABLEWARE
AGREES TO SETTLE FTC CHARGES THAT IT MADE
MISLEADING ENVIRONMENTAL MARKETING CLAIMS**

Keyes Fibre Company, maker of Chinet® disposable tableware, has agreed to settle Federal Trade Commission charges that it made false and unsubstantiated environmental claims for its paper plates. The settlement agreement addresses claims made by Keyes that Chinet® plates are biodegradable, compostable in municipal solid waste composting facilities, and recyclable. Under the proposed settlement agreement, Keyes would be prohibited from representing that any product it sells offers any environmental benefit unless it can substantiate the claim.

Keyes, based in Norwalk, Connecticut, manufactures disposable paper tableware and other products made from molded wood pulp. This case is another in a series of FTC challenges to allegedly misleading environmental marketing claims.

Biodegradable Claims:

According to the FTC complaint detailing the charges, the packaging for Chinet® disposable tableware contained the statements "BIODEGRADABLE" and "100% BIODEGRADABLE." Keyes' promotional materials contained the following statements:

- "ECOLOGICALLY SOUND. Chinet® is 100% biodegradable in landfill operations";
- ". . . Chinet® is . . . fully biodegradable [I]t degrades much faster than most ordinary paper plates. In a 12-week soil-burial study Chinet® plates reached an advanced state of decomposition in just two weeks. The . . . plastic and foam plates showed almost no signs of deterioration after 12 weeks."; and

(Keyes Fibre Co.--05/11/94)

-- "WE CARE ABOUT THE ENVIRONMENT

That's why we use biodegradable tableware. . . .
Chinet® makes food look good and its biodegradability
is a good step in controlling solid waste volume."

The FTC charged that by using these and other statements, Keyes represented without a reasonable basis that, when disposed of as trash, Chinet® disposable tableware:

- will completely break down and return to nature within a reasonably short period of time;
- offers a significant environmental benefit after customary disposal;
- will completely break down and return to nature significantly faster than other paper plates, or plastic or foam products, to provide a significant environmental benefit; and
- will completely break down and return to nature within a short enough period of time after customary disposal to significantly reduce the amount of garbage in landfills.

Most trash, including disposable paper plates, is buried in sanitary landfills, FTC staff said. Typically, landfills are designed to minimize the exposure of garbage to water, air, and sunlight, in order to prevent groundwater contamination and air pollution. Because the elements necessary for biodegradation are thus minimized in landfills, biodegradation -- even of organic matter like paper plates -- takes place very slowly, the staff said.

Compostable and Recyclable Claims

Keyes' promotional materials also contained statements about municipal composting, recycling, and depictions of the three-chasing-arrow symbol -- the widely-recognized symbol for recycling. The FTC charged that, by using such statements and this symbol, Keyes falsely represented that its disposable tableware is compostable through municipal solid-waste composting and is recyclable after ordinary use.

(Keyes Fibre Co.--05/11/94)

In fact, according to the FTC complaint, while Chinet® disposable tableware is capable of being composted in municipal solid waste composting facilities, the vast majority of consumers cannot do so because there are only a few municipal solid waste composting facilities nationwide. Also, according to the complaint, while Chinet® disposable tableware is capable of being recycled, the vast majority of consumers cannot do so because there are virtually no collection facilities that accept used, food-contaminated Chinet® disposable tableware for recycling. In light of this, the FTC charged that the compostable and recyclable representations are false.

The Settlement Agreement

The proposed consent agreement to settle these charges, announced today for public comment, would prohibit Keyes from making unsubstantiated claims that its products or packages are degradable, biodegradable or photodegradable, or that their degradability offers any environmental benefit when consumers dispose of them as trash that is buried in a sanitary landfill.

In addition, Keyes would be prohibited from misrepresenting, with respect to any paper product or package, the extent to which:

- the item can be composted by any means;
- municipal solid waste composting facilities for the item are available;
- the item is capable of being recycled; or
- recycling collection programs for the item are available.

The proposed settlement would permit Keyes to truthfully claim in the future that any paper product or package will compost in a safe and timely manner, when disposed of in home-compost piles or devices, or in municipal solid-waste composting facilities. If Keyes refers to municipal solid-waste composting, however, it would be required to disclose clearly and prominently information about the limited availability of these facilities.

Under the settlement, Keyes also would be prohibited from making any unsubstantiated representation that any product or package it markets offers any environmental benefit.

(Keyes Fibre Co.--05/11/94)

Finally, the proposed settlement contains provisions that would assist the FTC in monitoring compliance with the settlement.

The vote to accept the proposed consent agreement for public comment was 5-0. It will be published in the Federal Register shortly and will be subject to public comment for 60 days, after which the Commission will decide whether to make it final. Comments should be addressed to the FTC, Office of the Secretary, 6th Street and Pennsylvania Avenue, N.W., Washington, D.C. 20580.

NOTE: A consent agreement is for settlement purposes only and does not constitute an admission of a law violation. When the Commission issues a consent order on a final basis, it carries the force of law with respect to future actions. Each violation of such an order may result in a civil penalty of \$10,000.

Copies of the complaint and proposed consent agreement, an analysis of the agreement to assist the public in commenting, and the FTC's Guidelines for Environmental Marketing Claims, are available from the FTC's Public Reference Branch, Room 130, at the above address; 202-326-2222; TTY for hearing impaired 202-326-2502.

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