

FTC news

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

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AMOCO AGREES TO SETTLE FTC CHARGES THAT IT MADE DECEPTIVE ENVIRONMENTAL CLAIMS FOR POLYSTYRENE FOOD SERVICE PRODUCTS

Amoco Foam Products Company and its parent company, Amoco Chemical Company, (collectively, "Amoco") have agreed to settle Federal Trade Commission charges that they made false and unsubstantiated environmental claims for their foam polystyrene plates, cups, and other food service products. The settlement agreement relates to charges that Amoco promoted its food service products as recyclable. Under the proposed settlement agreement, Amoco would be prohibited from making these, or other false or unsubstantiated environmental claims for its polystyrene products, in the future.

Amoco Foam Products Company, a Delaware corporation, is a wholly-owned subsidiary of Amoco Chemical Company, which manufactures foam polystyrene packaging and food service products, including cups and plates, under the trade name "Snacker" and under private labels. This FTC case is another in a series involving allegedly unsubstantiated or false environmental marketing claims. Last year, the FTC issued guidelines for marketers making environmental claims to help reduce consumer confusion about what various claims mean, and to help prevent the false and misleading use of environmental claims.

According to the FTC complaint detailing the charges, Amoco used terms such as "recyclable" and "100% Recyclable Foam Plates" in advertising and other promotion for its products. In fact, the FTC complaint alleged, the vast majority of consumers cannot recycle these products because few collection facilities nationwide will accept them for recycling. Therefore, the complaint said, the representation was false and unsubstantiated.

(Amoco--5/23/94)

The proposed consent agreement to settle these charges, announced today for public comment, would prohibit Amoco from any future misrepresentation that its polystyrene food service products or polystyrene packaging material is capable of being recycled, and would prohibit misrepresentations that recycling collection programs for such products or packaging materials are available. It would also require any future claims that Amoco's food service or packaging materials offer any environmental benefit, to be substantiated by competent and reliable evidence.

The Commission vote to accept the proposed consent agreement for public comment was 4-0, with Commissioner Roscoe B. Starek, III recusing himself. The case was brought by the Chicago Regional Office of the Federal Trade Commission. The proposed consent agreement 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, 6th Street and Pennsylvania Avenue, N.W., Washington, D.C. 20580; 202-326-2222; TTY for the hearing impaired 202-326-2502.

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(Amoco)