

FTC news

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

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OAK HILL INDUSTRIES AGREES TO SETTLE CHARGES THAT IT MADE FALSE "RECYCLABLE" CLAIMS FOR ITS PLASTIC TABLEWARE

Oak Hill Industries Corp., a New York City manufacturer of plastic tableware, has agreed to settle Federal Trade Commission charges that it made false and misleading claims about the recyclability of its plastic plates, bowls and utensils and their plastic film packaging. Under the proposed settlement agreement, Oak Hill Industries would be prohibited from making these or other false or unsubstantiated environmental claims in the future.

This case is another in a series of FTC challenges to allegedly deceptive environmental marketing claims.

Oak Hill's plastic plates, bowls and utensils are made from non-foam polystyrene and are packaged in thin plastic film made from either polypropylene or low-density polyethylene. According to the FTC complaint detailing the charges in this case, the packaging for Oak Hill's plastic plates, bowls and utensils contains the word "recyclable," and depicts the three chasing arrow symbol. The FTC alleged Oak Hill represented that its plastic tableware and plastic packaging are recyclable.

In fact, according to the FTC, although the plastic plates, bowls and utensils and film packaging are capable of being recycled, the vast majority of consumers cannot recycle these items because only a few collection facilities nationwide will accept non-foam polystyrene products, polypropylene film, or low-density polyethylene film for recycling. In light of this, the FTC charged that the recyclable representations are false and unsubstantiated.

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(Oak Hill--04/15/94)

The proposed consent agreement to settle these charges, announced today for public comment, would prohibit Oak Hill from misrepresenting that any product or package is capable of being recycled, or the extent to which recycling collection programs for them are available.

The proposed settlement would permit Oak Hill to truthfully claim in the future that any non-foam polystyrene product or package, polypropylene film, or low-density polyethylene film is recyclable, as long as it discloses clearly and prominently certain information about the limited availability of recycling facilities, and as long as such product or package bears a clear identification of the specific plastic resin from which it is made. When making such recyclable claims, Oak Hill would be required to disclose either:

-- that such products or packaging is recyclable in the few communities with recycling collection programs for such materials; or

-- the approximate number or percentage of U.S. communities, or the approximate percentage of the U.S. population, with access to recycling collection programs for such materials.

In addition, Oak Hill would be prohibited from making any unsubstantiated representation that any product or package it markets offers any environmental benefit.

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.

(Oak Hill--04/15/94)

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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