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TO: **Federal Trade Commission, Office of the Secretary**

RE: **Green Guides Review (16 CFR part 260) (Matter No. P954501)**

FROM: **Two Sides North America**

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Two Sides North America (www.twosidesna.org), in an important sense, shares a similar mission with the U.S. Federal Trade Commission: protecting consumers from deceptive marketing claims. In our case, Two Sides was specifically chartered to protect consumers from the proliferation of marketers who resort to greenwashing to promote their products and services at the expense of paper-based materials (e.g., "Go Green, Go Paperless), often in direct defiance of the principles of the Green Guides, as well as the principles of ISO 14040, ISO 14044 and other accepted Life Cycle Assessment (LCA) principles and guidelines.

Recommendations

1. **In response to the Commission's overall question about the utility of the Green Guides (Section III, question A.1), we urge the FTC to retain them.** As Two Sides continues to experience firsthand, greenwashing remains so pervasive that the need for the Green Guides is as urgent as ever. From the perspective of the marketplace, the Green Guides have been a force multiplier, stimulating an invaluable dialog about product sustainability between and among producers and consumers, and helping Two Sides keep honest those marketers who might otherwise surrender to the temptation to deceive consumers with greenwashing.

2. **In response to Section III, question A.3, we believe that a revised Green Guides could vastly expand its reach and utility by addressing the ubiquitous "Go Green, Go Paperless" messaging that so many corporations and other entities use to disguise their real motivation: to save paper, printing and mailing costs at the expense of their customers and in contradiction of the findings of the U.S. EPA, U.S. Forest Service and other credible authorities about the environmental characteristics of forest products like paper.** These claims are so pervasive that Two Sides believes they merit their own Green Guides section, like those covering issues like carbon offsets, certification and recyclability. **At a minimum, the revised guidelines should highlight the unsubstantiated Go Paperless messages as one of the listed examples of deceptive practices that companies should avoid.**

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Unlike many of the cases the FTC addresses, where consumers encounter deceptive marketing in the process of shopping for a particular product, the Go Paperless messages come unsolicited directly into nearly every household in the United States in the form of billing statements and marketing direct mail from financial, utility, telecommunications and insurance companies and others. While the former case may affect thousands to tens of thousands of households, claims delivered directly to the home easily affect tens of millions. Consumers, many of whom express a preference for paper statements and communications, are guilted against their own interests (among them readability, unreliable internet access - particularly in rural areas, limited access to computers by older people and those with disabilities, and secure recordkeeping) into opting for electronic alternatives with totally unsupported, throwaway statements about the alleged environmental costs of paper.

3. As the FTC knows better than most, marketing comparisons of everyday products are subject to widespread abuse and deception, but at least consumers, with years of experience using them, develop some measure of skepticism about claims that one product performs its advertised function better than another. However, that is seldom the case with comparisons of sustainability, and too many marketers fall back on disinformation to exploit consumers' understandable inability to assess which environmental claims are true or false.

For this reason, Two Sides recommends that the FTC revise the Green Guides (Part 260.3(d), General Principles, Comparative Claims) to include additional emphasis on proper LCA principles and practices when it comes to making comparisons of sustainability like Go Green, Go Paperless.

Fair sustainability comparisons are challenging even when there is no axe to grind – all the more reason to insist that self-interested marketers comply with the LCA principles and procedures developed by the International Organization for Standardization, in this case ISO 14040 and 14044. ISO defines LCA as a compilation and evaluation of the inputs, outputs and the potential environmental impacts of a specific product throughout its life cycle. A study that conforms with ISO standards carefully defines the products that are being compared and what they are designed to do (their "functional unit"), sets specific study boundaries around the products, and meets other requirements, including how flows into or out of the production process should be allocated. Adherence to ISO standards doesn't guarantee the scientific fairness or integrity of a study that makes environmental comparisons, but it makes it more difficult for marketers to bias their conclusions and easier to spot when they do. Anything less is greenwashing.

Go Paperless greenwashing claims all share the approach to misleading consumers: They're simplistic statements of the alleged environmental superiority of electronic alternatives to paper communications, nearly all of them with no qualification, data support or proof of any kind. The few that venture beyond general Go Paperless slogans assign an inflated list of environmental costs to paper, while neglecting to assign any environmental costs to their electronic alternatives. In effect, they are half of a life cycle comparison, with nothing on the other side of the ledger.

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Even in those rare instances when marketers purport to show data support, almost none of the sources they use to "quantify" the environmental costs of paper are specific to the products or companies involved. The overwhelming majority of this alleged data comes from one-size-fits-all online paper calculators. A surprising number of businesses, advocacy groups and even large corporations, who should know better, use these generic tools to generate data that will serve as the foundation for their conclusions. They're typically free, easily accessible and deliver immediate results. However, unlike proper life cycle assessments, which are product- and process-specific, online calculators are blunt instruments that of necessity are based on national industry averages – and sometimes on assumptions that don't hold up in the real world. At best, they serve as a starting point to suggest further study. At worst, they are about as relevant to an individual product as a daily horoscope. Change a parameter here or there, and the result could be the opposite of what the calculator suggests.

The specific environmental costs that Go Paperless marketers choose to assign to the paper side of the ledger are no less deceptive. For example, they claim environmental superiority for electronic alternatives over paper communications because the former emits less carbon dioxide. This comparison is intended to obscure the fact that the majority of CO_2 released from papermaking is biogenic (that is, stored in biological materials like trees), meaning it adds no new carbon to the atmosphere (a fact recognized by the U.S EPA among others) while electronic communications rely heavily on fossil fuel, which does increase CO_2. Just as frequently, Go Paperless marketers list "water use" as an environmental cost associated with paper production, the clear implication being that this water is somehow permanently lost, but the reality of papermaking is that nearly all the water is returned to the environment as clean as it entered the process (with a small fraction left in the paper itself).

They scrupulously ignore those characteristics of paper that make it uniquely sustainable, especially when it is fairly compared with other industries like electronic communications:

- Paper is made from an infinitely renewable natural resource – trees that are purpose-grown in sustainably managed forests. Contrary to myth that forests are shrinking, U.S. net forest area expanded by approximately 18 million acres between 1990 and 2020 (UN Food and Agriculture Organization, 2020 Global Forest Resources Assessment).
- With a recovery rate of 68%, paper is recycled more than any other material in the U.S. (U.S. Environmental Protection Agency).
- More than half of the energy used to manufacture paper in the U.S. (64% on average) comes from renewable carbon-neutral sources, mostly biomass (American Forest and Paper Association – AF&PA).
- The U.S. pulp and paper industry is responsible for only 0.6% of total U.S. greenhouse gas emissions (U.S. EPA).
- The U.S. paper industry has reduced its greenhouse gas emissions by more than 24% since 2005 (AF&PA).
- The water used to manufacture paper in a typical U.S. paper mill is recycled 8 to 10 times. It is

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then cleaned to meet strict federal and state water quality standards and ~90% is returned to its source. Most of the rest evaporates back into the environment, with about 1% remaining in the manufactured products (National Council on Air and Stream Improvement – NCASI).

- Approximately 98% of the chemicals used in in the kraft papermaking process are recovered and recycled (NCASI).

Just as deceptive are the hard truths that the Go Paperless marketers obscure about the electronic communication alternative.

- The first truth is that, unlike paper which is made from an infinitely renewable resource – trees that are purpose-grown, harvested and regrown in sustainably managed forests, electronic devices are made with non-renewable raw materials (iron, copper, rare earth minerals, et.al.), the extraction of which requires environmentally intensive drilling and mining (Global E-waste Monitor - GEM).

- Another truth involves the huge growth of energy consumption and its contribution to climate change. Global tech giant Cisco estimates that by 2023, North America will have 345 million internet users (up from 328 million in 2018), and 5 billion networked devices/ connections (up from 3 billion in 2018). Data centers are among the most energy-intensive building types, consuming 10 to 50 times the energy per floor space of a typical commercial office building, collectively, accounting for approximately 2% of the total U.S. electricity use (U.S. Department of Energy). This energy consumption does not include the energy required to drill and mine for raw materials, manufacture, power or recharge devices. As our country's use of information technology grows, data center and server energy use is expected to grow too.

- Electronic communication also *consumes* massive amounts of water. For example, Google alone reported in its Annual Water Metrics Report that its U.S. data centers *consumed* nearly 3.4 billion gallons of water from local resources in 2021, or more than 80% of water withdrawn (4.2 billion gallons) from those resources.

- Another truth is the proliferation of e-waste. According to the most recent GEM, a record 53.6 million metric tons (Mt) of electronic waste was generated globally in 2019, up 21% in just five years. For perspective, this e-waste weighed as much as 350 cruise ships the size of the Queen Mary 2, enough to form a line 76 miles long. The GEM describes e-waste as discarded products with a battery or plug. Small electronic equipment, screens and monitors, small IT and telecommunication equipment comprised more than half of global e-waste in 2019. The U.S. generated around 7 Mt of electronic waste. That's 46 lbs. per person, and nearly three times the worldwide per capita generation of 16 lbs.

  The GEM also projected that global e-waste will reach 74 Mt by 2030, almost a doubling of e-waste in just 16 years. This makes e-waste the world's fastest-growing waste stream, fueled by higher consumption rates of electric and electronic devices, short device life cycles and few

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options for repair. Many people now view electronic devices as ultimately disposable, simply discarding them when it's time for an upgrade. Others may hold on to them, but they are unable to find a cost-effective way to repair them.

Little e-waste is recycled. The GEM found that only 17.4% of e-waste was collected and recycled globally in 2019, with only 15% of e-waste in the U.S. recycled. Most e-waste was either dumped or burned rather than being collected for recycling and reuse.

Numerous toxic and hazardous substances are found in electronic equipment and pose severe risk to the environment and human health when not handled in an environmentally sound manner. Recent research cited in the GEM found that unregulated e-waste is associated with increasing numbers of adverse health effects, from birth defects and altered neurodevelopment to DNA damage, adverse cardiovascular and respiratory effects and cancer.

E-waste also represents a huge economic loss, according to the GEM. When electronic devices are simply thrown away, high-value, recoverable materials such as iron, copper and gold are thrown away with them. It's estimated that the value of raw materials in all global e-waste generated in 2019 equaled a staggering $57 billion US, more than the gross domestic product of most countries.

Discouraging widespread deception

Two Sides respectfully suggests that the FTC's mission to protect consumers, as well as the Green Guides purpose to steer companies away from deceptive practices, call for the addition of guidelines to reign in misleading marketing claims like "Go Green, Go Paperless." We believe these revisions will help encourage a greater degree of honesty and transparency that consumers can rely on to make decisions about the paper products they use every day and their alternatives.