WASHINGTON, D.C. -- A "virtual tsunami" of products touting environmental attributes is flooding the marketplace with little, if any, evidence to help consumers determine what is green or greenwash.

That's the assessment of a panel of product and certification experts who visited Capitol Hill this week to offer lawmakers their opinion of the state of green marketing in the U.S.

The hearing, aptly titled, "<u>It's Too Easy Being Green: Defining Fair Green Marketing Practices</u>," aimed to explore consumer perception, truthfulness of claims and the role of the <u>Federal Trade Commission</u> and private certifiers and labeling programs in regulating and verifying advertising, Bobby Rush (D-III.), chairman of the <u>Energy and Commerce Subcommittee on Commerce, Trade and Consumer Protection</u>, said in his opening statement.

The numbers are daunting: The word "natural" appeared on the label of a third of new products last year, according to a <u>recent study from Mintel Global New Products</u>

<u>Database</u>. The number of products claiming to be environmentally friendly rose nearly 200 percent.

But although there is growing consumer interest in determining whether products are safe, the public has too little or questionable information on which to base their purchasing decisions, according to panelist Dara O'Rourke, co-founder of the <u>GoodGuide Inc.</u> and an associate professor at the University of California, Berkeley.

"It is now nearly impossible for the average consumer to get the information they need to determine whether a product is truly green: how and where they were made and the potential health or environmental impacts," O'Rourke said in his prepared testimony.

The proceedings illustrated the uncertainty surrounding green claims; lawmakers grappled with the definition and their role in setting the rules, asking:

- Can a regulated product with a chemical in it be considered green?
- Is it green if the same ingredient comes from a shorter distance?
- How much information can you expect to give consumers, or what is reasonable for consumers to expect from green labels?
- Would you limit the definition of green to biodegradability and lifecycle carbon footprint? What attributes would you add?
- Should government dictate the process or manufacturing of a product, or composition of a product?

The panelists highlighted several factors that could help clear up some of the confusion: better public disclosure on critical impacts, full ingredient lists, consistency, transparency, and verifiable and readily available information.

In the meantime, greenwashing is rampant, according to M. Scot Case, vice president of

<u>TerraChoice Group</u>, which produces the "<u>Seven Sins of Greenwashing</u>," and an executive director of the <u>EcoLogo</u> program. Case is a victim himself: He paid \$2,500 for a LG Electronics refrigerator with an Energy Star label. A <u>Consumer Reports investigation</u> revealed it uses twice the energy than advertised.

"U.S. consumers want to buy greener products, but they are confused by competing environmental claims, unsure when a claim is accurate, and increasingly skeptical of all environmental claims," Case said in his prepared remarks. "As a result, the recent focus on green jobs, green manufacturing processes, and a green economy could collapse because of inadequate, competing, and even contradictory definitions of green."

Case believes the FTC isn't equipped to define green, although it recognizes greenwashing is an issue. Part of the problem, Case said, is the FTC lacks the environmental expertise to identify environmentally preferred products, instead leaving it to the Environmental Protection Agency. But the EPA's "silo-based" approach often prevents a holistic evaluation of products.

The FTC is currently <u>updating its Green Guides</u> to ensure they are responsive to today's marketplace. "In the past few years, there has been a virtual tsunami of environmental marketing," said James Kohm, director of the FTC's enforcement division..

Despite the many hearings and comments it has held and received, it still needs consumer perception data to help develop advice on consumer understanding of green claims. "Without this data, the Commission would face the difficult choice of either providing guidance that might inadvertently chill otherwise useful claims or forgo valuable guidance altogether," Kohm said in his prepared testimony.

Earlier this week, the <u>FTC filed three complaints</u> against Kmart Corp., Tender Corp., and Dyna-E International over false claims of product biodegradability.

Scott Cooper, vice president of government relation at the <u>American National Standards Institute</u> (ANSI), believes existing standards can be used efficiently, but "we need to identify every gap that exists," he said. "We also need to bring to bear new human and financial resources that can strengthen existing systems while satisfying future needs."

The <u>Consumers Union</u>, the nonprofit publisher of <u>Consumer Reports</u>, believes the government should eliminate or better define the marketplace's meaningless label claims, such as "natural," "carbon negative," "non-toxic," or "free range," according to Urvashi Rangan, its director of technical policy. It also sees the opportunity to provide guidance on setting baseline practices for all green claims and hold its own labeling programs to higher standards with to ensure independence and verification.

To illustrate the ubiquity and confusion of green labels, Rush held up a bottle of water at the end of hearing and began reading from the label.

"Small labels equal more trees," he recited. "We can write more on a bigger label but

saving trees is important. By keeping it short, we've saved almost 10 million pounds of paper per year in the U.S. That's about 30,000 trees."

And then it read, "Be green."

"Chairman Rush, you've just highlighted in that bottle what the problems are because there aren't baselines for what should be disclosed or not disclosed," Rangan said.

O'Rourke called the claim "completely irrelevant" to the actual environmental and health impacts of the product.

"It may be an accurate claim but it is in a sense a magician's bait and switch -- where you're looking at one hand but the real action is in the other hand," O'Rourke said. "For that product, it's around the manufacture of the water, the manufacturing of the plastic bottle, and the disposal of the bottle are the real environmental impacts, not the little tiny piece of paper around the sleeve of the plastic."