



wide range of prominent consumer protection issues: from spam and spyware to mortgage fraud; media violence to mobile marketing; data security to debt collection. And of course we also run the National Do Not Call Registry.

In the advertising realm, our fundamental statutory tool is the FTC Act, which prohibits unfair or deceptive trade practices. For marketers, the basic rule to remember is that any material representation, omission, or practice is deceptive if it is likely to mislead consumers acting reasonably. In short, marketers must have a reasonable basis to support their advertising claims. Our job is not to substitute our judgment for that of consumers or to save them from bad choices; rather, it is to ensure that they obtain the truthful information they need to make their own choices. When markets function in this manner, consumers win – securing a broader selection of innovative products at lower prices.

In fulfilling our mission, we employ a variety of tools, including law enforcement, consumer education, business guidance, market research, and the encouragement of sound self-regulatory programs. Over the years, our work in the energy and environmental fields underscores this multi-tiered approach. We have challenged deceptive practices in court, published information to help consumers make informed, green purchasing decisions, and promulgated rules and guides to make the rules-of-the-road clear for businesses. We also encourage well-constructed industry self-regulatory programs as a way to complement the Commission’s own efforts. The FTC’s Green Guides apply the FTC Act to environmental advertising and marketing practices and offer marketers general principles on how to avoid making misleading claims. The Guides also provide guidance to marketers on using specific claims such as “environmentally friendly,” “recyclable,” and “compostable.” Since the Guides

were last revised in 1998, the marketplace has experienced the increased use of these terms to promote the green attributes of products, packaging, and manufacturing processes, as well as the introduction of new terms such as “sustainable,” “bio-based,” “cradle-to-cradle,” and “carbon neutral.” Given the dynamic natur

greenhouse emissions accomplished through activities such as methane capture or tree planting. RECs, on the other hand, serve as a new means to market renewable energy. RECs represent the renewable attributes of electricity from wind, solar, and other renewable energy sources and are sold separately from the electricity produced. As is the case with carbon offsets, companies and individuals can purchase RECs to offset emissions associated with their own activities. In an effort to become “carbon neutral,” many purchasers seek to obtain enough offsets to match their emissions.

The term “carbon neutral” recently has received a lot of attention. Indeed, early last year, the New Oxford American Dictionary added the word “carbon neutra

new and ongoing self-regulatory and certification efforts. We hope that our discussions today play an important role in furthering our collective understanding of the challenges presented by the marketing of these products and how to meet these challenges.

For example, unlike tangible goods, such as cars or breakfast cereal, carbon offsets and RECs do not offer consumers an easy way to verify that they have received the product for which they paid. Many of the projects funded by the sale of RECs or carbon offsets occur in places remote from consumers, whether that activity is planting trees in another country or subsidizing wind-powered energy across the United States. Moreover, even if consumers could see the project in action, most of us would have great difficulty confirming that our offset purchase actually funds that particular project or that the project would not have happened without our purchase, or for

verification systems could lead even those sellers acting in good faith to inadvertently sell the same product more than once. Unfortunately, these realities also could create opportunities for bad actors to deceive consumers.

Today, we will explore these and other issues in order to determine the best way for the FTC to protect consumers in these burgeoning markets. A deeper understanding of these issues not only will help us combat fraud in the future, but also will help us provide guidance to marketers seeking to make truthful claims for their products, as well as guidance to consumers in

