Analysis of Proposed Consent Order to Aid Public Comment In the Matter of PPG Architectural Finishes, Inc., File No. 1123160

The Federal Trade Commission ("FTC" or "Commission") has accepted, subject to final approval, an agreement containing a consent order from PPG Architectural Finishes, Inc. ("PPG").

The proposed consent order has been placed on the public record for thirty (30) days for receipt of comments by interested persons. Comments received during this period will become part of the public record. After thirty (30) days, the Commission will again review the agreement and the comments received, and decide whether it should withdraw from the agreement or make final the agreement's proposed order.

This matter involves PPG's marketing and sale of "zero VOC" paints. According to the FTC complaint, PPG represented that its *Pure Performance* paints, including paints with color added, contain zero VOCs. But the complaint alleges that, in numerous instances, the paint does not contain zero VOCs after the addition of color. It also alleges that PPG did not possess and rely upon a reasonable basis substantiating these representations when it made them. Finally, it alleges that, by providing independent distributors and retailers with promotional materials making the above representations, PPG provided these third parties with the means and instrumentalities to engage in deceptive practices. Thus, the complaint alleges that PPG engaged in deceptive practices in violation of Section 5(a) of the FTC Act.

The proposed order contains three provisions designed to prevent PPG from engaging in similar acts and practices in the future. Part I addresses the marketing of zero VOC paints. It prohibits PPG from claiming that its paints (including paints manufactured under its PPG, Pittsburgh Paints, Porter Paints, and Olympic brands) contain "zero VOCs" unless: (1) after tinting, the VOC level is zero grams per liter ("g/L") or PPG possesses competent and reliable scientific evidence that the paint contains no more than a trace level of VOCs; or (2) PPG clearly and prominently discloses that the claim applies only to the base paint and that, depending on the color choice, the VOC level may increase. In situations where a paint's post-tint VOC level is 50 g/L or more, the order requires PPG to disclose that the VOC level increases "significantly" or "up to [the highest possible VOC level after tinting]."

Part II addresses VOC and environmental benefit or attribute claims made about paints and other architectural coatings. It prohibits such representations unless the representation is true, not misleading, and substantiated by competent and reliable scientific evidence.

Part III prohibits PPG from providing to others the means and instrumentalities with which to make any claim prohibited by Part I or II. It defines "means and instrumentalities" as any information, including any advertising, labeling, or promotional, sales training, or purported substantiation materials, for use by trade customers in their marketing of any such product or service.

¹ The order does not require PPG to characterize an increase of less than 50 g/L as "significant" because paints with this level of VOCs are considered by air quality regulators and environmental certification groups to be low in VOCs.

Part IV requires PPG to send a letter to its retailers, requiring them to remove all *Pure Performance* ads with zero VOC claims and affix a sticker to existing *Pure Performance* paint can labels.

Finally, Parts V though VIII require PPG to: keep copies of advertisements and materials relied upon in disseminating any representation covered by the order; provide copies of the order to certain personnel, agents, and representatives having supervisory responsibilities with respect to the subject matter of the order; notify the Commission of changes in its structure that might affect compliance obligations under the order; and file a compliance report with the Commission and respond to other requests from FTC staff. Part IX provides that the order will terminate after twenty (20) years, with certain exceptions.

The purpose of this analysis is to facilitate public comment on the proposed order. It is not intended to constitute an official interpretation of the complaint or the proposed order, or to modify the proposed order's terms in any way.