

UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION  
WASHINGTON, D.C. 20580



Division of Advertising Practices

August 1, 2008

**VIA COURIER**

D. Reed Freeman, Jr. Esq.  
Kelley Drye Collier Shannon  
Washington Harbour  
Suite 400  
Washington, DC 20007

Re: Johns Manville Corp., FTC File No. 072-3077

Dear Mr. Freeman:

As you know, the staff of the Federal Trade Commission's Division of Advertising Practices has conducted an investigation into advertising by Johns Manville Corporation ("Johns Manville") for possible violations of Section 5 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 45. The investigation focused on the company's advertising for its formaldehyde-free fiberglass insulation that referred to health risks associated with the use of competitors' formaldehyde-bonded fiberglass insulation products.

This matter was referred to the FTC by the National Advertising Division of the Council of Better Business Bureaus ("NAD"). In a letter dated February 15, 2007, NAD informed the FTC that it was unable to resolve a dispute between Johns Manville and The Formaldehyde Council, Inc. regarding Johns Manville's advertising of its formaldehyde-free fiberglass insulation. In its letter, NAD noted that despite three proceedings in this matter before that body, Johns Manville continued to disseminate certain troubling advertising. In particular, the NAD noted its continuing concern about certain claims regarding health risks associated with formaldehyde-bonded insulation versus formaldehyde-free insulation. NAD was also concerned about continuing claims that Johns Manville's insulation products were the only ones that had passed certain environmental testing standards.

After conducting a careful review of the matter, including non-public information submitted to the staff, we have determined not to recommend enforcement action at this time. Among the factors we considered is Johns Manville's agreement to take steps, including modification of its ads, to address the concerns expressed by the FTC. Johns Manville has

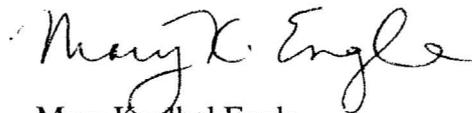
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agreed to ensure that advertising claims about a “healthier, safer home” resulting from the use of the formaldehyde-free insulation are made only in the context of the overall reduction of formaldehyde in the home so that the ad avoids any implication that formaldehyde-bonded insulation presents a health risk. This would allow Johns Manville to use ads claiming that reducing the amount of formaldehyde in the home can be healthier, and using the Johns Manville product is one way of achieving that goal. Alternatively, Johns Manville may choose to add a clear and prominent disclosure that “There is no evidence that the level of formaldehyde released by formaldehyde-bonded insulation is harmful,” provided that other representations in the ad do not contradict or mitigate the disclosure.

Johns Manville has also agreed to ensure that claims referring to the classification of formaldehyde as a carcinogen by the International Agency for Research on Cancer (IARC) would only be made by Johns Manville if the claim also included a clear and prominent disclosure that “there is no evidence that the level of formaldehyde released by formaldehyde-bonded insulation is harmful.” Again, this disclosure should not be contradicted or mitigated by other representations contained in the ad. Finally, Johns Manville has agreed to take steps to ensure that express or implied claims that “Johns Manville is the only fiber glass insulation that passes Environmental Specification 1350 with non-detect for formaldehyde” are modified in the future. The language of the modified claim must not imply that all other insulation fails to pass the standard, since that is not the case.

Given Johns Manville’s agreement to modify its advertising claims as set forth above, staff has decided to close the investigation. This action is not to be construed as a determination that a violation may not have occurred, just as the pendency of an investigation should not be construed as a determination that a violation has occurred. The Commission reserves the right to take such further action as the public interest may require.

Very truly yours,



Mary Koelbel Engle  
Associate Director