



December 10, 2010

Federal Trade Commission  
Office of the Secretary  
Room H-135 (Annex J)  
600 Pennsylvania Avenue, NW  
Washington, DC 20580

**RE: Proposed Revisions to Guidelines; Guides for the Use of Environmental Marketing Claims, 75 Federal Register 63552, October 15, 2010**

Dear Sir/Madam:

On behalf of Domtar Corporation, I appreciate the opportunity to comment on the proposed revisions to the FTC Green Guides.

Domtar (NYSE/TSX:UFS) is the largest integrated manufacturer and marketer of uncoated freesheet paper in North America and the second largest in the world based on production capacity. We also manufacture papergrade, fluff and specialty pulp. The Company designs, manufactures, markets and distributes a wide range of business, commercial printing and publication papers as well as converting and specialty papers including recognized brands such as Cougar®, Lynx® Opaque, Husky® Offset, First Choice® and Domtar EarthChoice® Office Paper. These are part of a family of environmentally and socially responsible papers. Domtar owns and operates Domtar Distribution Group, an extensive network of strategically located paper distribution facilities. We operate 12 pulp and paper mills (nine in the United States and three in Canada) and employ nearly 13,000 people.

Domtar is an industry leader in responsible and sustainable paper production and strongly supports §260.4 (a) and (b). Demand for paper has been declining an average of 4% per year since the beginning of the decade. This trend has been exacerbated by companies claiming that paper free billing and statements are “green,” or otherwise beneficial to the environment. Such claims suggest that “going paperless” is the morally correct thing to do by incorrectly asserting that markets for forest products are harmful to the forest resource. Such claims are made without any evidence or substantiation and, in fact, are false. Paper is renewable, recyclable and biodegradable. Without the production of fresh paper, there would be no material to recycle, which would eliminate the North American recycled paper supply in just two months. Moreover, the forestry and paper industry provides private woodland owners—which own over 50 percent of the forestland in the U.S.—the incentive to maintain a healthy and flourishing forest. In the absence of such a financial incentive, private forest owners are often confronted with the unfortunate prospect of having to sell their forested acres for development or other non-forest uses. According the U.S. Forest Service, the U.S. has more forested acres today than we did in 1953 despite an unprecedented housing boom during that period. The positive linkage between thriving markets for forest products and the viability of our private forests in this country cannot be overstated.

In regards to §260.12 (b), Domtar believes that the pre and post-consumer distinction should be removed. It is our belief that such redundant distinctions draw attention away from the important fact that materials from every step in the production process are being reused instead of being placed in a landfill. The notion that post-consumer fiber is environmentally friendly is a misconception. Frankly, so-called pre-consumer fibers are more valuable because they are less contaminated. In addition, because pre-consumer fibers have been a steady source of fiber for pulp manufacturers, the increases that are seen in the amount of recovered fiber are primarily from the post-consumer arena.

For many years Domtar has been striving to reduce its dependence on fossil fuels. In fact, over 70 percent of our energy needs is met with clean, renewable and sustainable biomass. Clearly, we are leader in the area of renewable energy and are eager to highlight our progress. We are concerned, however, with the proposal's use of the term "any part of" as the standard to meet for making renewable energy claims. In the pulp and paper manufacturing process, some fossil fuel is necessary. Disallowing our industry's claims of manufacturing with the use of renewable energy, as stated in §260.14 (b), ignores certain processes that are essential to the manufacture of pulp and paper. Minute amounts of fossil fuels are used during start-up, shut-down and for flame-stabilization. In addition, fossil fuel is again used in minute amounts to stabilize boiler temperature which is an important safety procedure in our mills. We respectfully request that the Guides use the same "all or virtually all" phrase as is used in the Preamble instead of the more restrictive "any part of" which is used in the proposed §260.14(a). Indeed, subsection §260.14(a) is in direct conflict with subsection (c), which correctly uses the "all or virtually all" phrase, so it should be substantially revised or eliminated.

Renewable energy is generated at all of our facilities. While some of this energy is sold in the form of certificates, a considerable portion is used on site in the form of thermal energy. The examples in §260.14 (d) seem to suggest that because our mills sell renewable energy credits, we are not eligible to represent that the energy used inside the mill (but not sold) is renewable. We believe that the guides should make clear that when a manufacturer sells RECs, it is only precluded from claiming it is using self generated renewable electricity for the electricity represented by the REC. Selling RECs should not detract in any way from the manufacturer being able to make claims about the other renewable energy it is generating and using.

Domtar has concerns with Example 1 under section §260.15 if it means the FTC will require that a marketer somehow match the rate of harvest of the renewable material used to manufacture a product with the particular product that is being sold. This would place a significant burden on manufacturers. We suggest, instead, the example where forest products demonstrate that they are made from renewable materials. The forest products industry plants on average 1.7 million trees daily, and millions of additional seedlings regenerate naturally. Moreover, in all regions of the U.S. the amount of wood fiber grown exceeds removals. Thus, it is clear that forest products are made from renewable materials.

Domtar appreciates the opportunity to provide comments on these proposed guidelines and stands ready to work with you in ensuring that consumers fully understand the impacts of their purchasing decisions in the consumer products marketplace.

Sincerely,

Thomas Howard  
Vice President, Government Relations

