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VIA FAX AND OVERNIGHT DELIVERY

Richard Wiles
Environmental Working Group
1436 U St. NW, Suite 100
Washington, DC 20009

Dear Mr. Wiles:

We are counsel to iGPS Company LLC ("iGPS") and write to express outrage over the highly irresponsible and defamatory statements and actions of the EWG toward iGPS and its customers. EWG's conduct has damaged iGPS' reputation and business relationships and, more importantly, spread factually incorrect and misleading statements which will needlessly alarm the public. We can only conclude that EWG has either decided to do the wood pallet industry's bidding or has naively been manipulated by them. Unless these actions are redressed by EWG, iGPS intends to take action that will not only vindicate iGPS and its service offering, but will also demonstrate the recklessness of EWG's actions and the distortions that your organization has propagated.

On June 24, your organization issued a press release and copy of a letter to the FDA that demanded that it "order the food industry to stop using plastic pallets made with Deca." The impetus your organization's demand was allegedly letters from the FDA, in January and April, 2009, to an organization named Exponent that, in response to a hypothetical question, stated that decabromine is not an approved food contact substance--a fact that no one disputes.

Had EWG contacted iGPS or conducted any independent investigation before issuing its press releases--acts which any responsible organization would have undertaken--it would have discovered the following--

- iGPS rents the world's safest plastic pallet on a wide spectrum of criteria, which explains its rapid adoption by leading companies in North America.
- The flame retardant in iGPS pallets, decabromine, is the world's most widely used and safety-tested flame retardant. In fact, the EU, which has the world's strictest health and safety laws, recently examined over 1,000 independent studies and concluded that no additional regulation was justified. Notwithstanding the above, iGPS arranged for independent testing of its pallet which documented that no

Richard Wiles
August 5, 2009
Page 2

decabromine transfers from iGPS pallets to the goods they carry, and that iGPS pallets present no risk whatsoever to workers or others who handle them.

- The January and April FDA letters on which EWG based its statements were written in response to hypothetical questions posed by an organization named Exponent, whom we believe was retained by the wood pallet industry as part of its campaign to thwart the adoption of plastic pallets and to maintain its monopolistic stranglehold on the US supply chain. The FDA simply stated that if plastic pallets were used in hydro-cooling and if the cooling water was recycled and if decabromine leached from a plastic pallet and contacted food, decabromine would need to be approved as a food contact substance—a statement that no one would dispute. EWG flagrantly distorted the FDA's response, however, to state that iGPS' pallets may not be used in hydro-cooling and represent a danger to the public—statements the FDA did not make.
- To our knowledge, iGPS pallets are not and never have been used in hydro-cooling. Hence, iGPS has made no application to the FDA to approve this use. In fact, hydro-cooling is an outdated practice and few, if any, growers utilize it—evidence that this issue is a red herring.
- EWG's statements imply that the alternative to plastic pallets—pallets made of wood—are safe for hydro-cooling, something the FDA has never approved. Wooden pallets, laden with bacteria, formaldehyde, wood dust, rusty nails and paint, are not and, we believe, never could be, approved for hydro-cooling or for food contact, for obvious reasons.
- iGPS pallets recently passed pre-certification testing requirements of the American National Standards Institute for use in food preparation splash zones, a further measure of their safety.
- iGPS pallets do not contain 3.4 lbs of decabromine as EWG alleges. They contain less than half that amount, encapsulated in their resin, which is non-porous.
- iGPS' customers, whom EWG has outrageously contacted to demand that they cease doing business with iGPS, are world class companies, many of whom have independently tested and confirmed not only the safety of iGPS pallets, but also their superiority over wood pallets. This information would in all likelihood have been made available to EWG had it asked, rather than simply attacked without the benefit of facts.

Richard Wiles
August 5, 2009
Page 3

- Because EWG is concerned about environmental protection and public health in general, it should know the other numerous benefits of iGPS pallets. iGPS pallets are 30% lighter than wood which translates into less fuel consumption in transport and reduced green house gas emissions. Unlike wood pallets, they do not require toxic fumigation and are not painted, so therefore do not release VOC's into the environment as wood pallets do. Their embedded RFID tags facilitate product safety recalls and they are 100% recyclable, making their useful life indefinite. And needless to say, they help to protect our forests.

It is ironic to us that while EWG professes to be concerned with pallet safety it has never condemned the numerous risk to public safety posed by wood pallets. For example--

- Tens of millions of pallets constructed with "engineered wood" contain urea formaldehyde which, unlike decabromine, is classified as a known carcinogen. Formaldehyde not only off-gases from these pallets, endangering workers and consumers, but also leaches when in contact with water—hydro-cooling being a prime example. EWG has attacked formaldehyde in cosmetics and other substances, yet has failed to utter any concern about this danger.
- An online search for Material Safety Data Sheets (MSDS) for wood pallets reveals that they also contain a second carcinogen—wood dust—which is associated with nasal and sinus cavity cancer, lung cancer and Hodgkin's Disease.
- The porosity of wood pallets makes them so unhygienic that the FDA has explicitly stated that they should not be used in connection with food preparation because of the risk of Listeria contamination. Instead, the agency advocates the use of materials made of stainless steel and plastic.
- Wood pallets are inherently flammable which puts employees and fire fighters at risk while causing billions of dollars of damage each year.
- The wood pallet industry engages in wholesale deforestation, the most ecologically-damaging phenomena occurring today, with devastating impacts on our climate, our wildlife and our health. Based on 2006 data contained in wood pallet publications, the industry utilized 7.6 billion board feet of wood in pallets, deforesting an area ten times the size of Manhattan in just that year. Yet EWG has remained silent on this environmental harm.

Richard Wiles
August 5, 2009
Page 4

It is also ironic and a sad reflection on EWG's conduct that while it touts its commitment to environmental protection, it has chosen to attack a company that has introduced the most environmentally responsible and sustainable solution in pallet rental. An independent life cycle analysis comparing iGPS' plastic pallet versus the typical wood pallet has documented that iGPS' pallet is environmentally superior to wood on every dimension measured, including abiotic depletion, acidification, ozone layer depletion and global warming impact. And, as a further measure of its commitment to the environment, iGPS has partnered with the National Forest Foundation and funded the planting of 100,000 trees in our national forests.

We are left asking ourselves why, given the above, EWG has so recklessly attacked iGPS, why EWG has made the same charges that our competitors in the wood pallet industry make, while failing to speak out against the myriad of public safety issues involved with wood pallets--deforestation, food safety, formaldehyde and wood dust, to name only a few? Why hasn't EWG demanded that the FDA prevent hydro-cooling with wood pallets or demanded their sterilization when carrying food? Why hasn't EWG asked for investigation into the role of wood pallets in increasing outbreaks of salmonella and food poisoning? In short, why is EWG aiding the efforts of a dying industry that is so deleterious to the public's health and safety? We can only conclude that EWG has either deliberately elected to do the wood pallet industry's bidding or has naively been manipulated by them to do its dirty work. In either instance, EWG's conduct has been outrageous, irresponsible and damaging to iGPS. And we will not accept it.

We demand that EWG retract its distortions and misrepresentations and commit that that these activities will cease. Unless this is forthcoming, iGPS intends to take action to vindicate its good name and utilize all the means at its disposal to expose the full extent of EWG's direct and indirect dealings with the wood pallet industry and all other information pertaining to its conduct in his matter.

Regards,



Stephen M. Baldini

cc: Environmental Working Group Board of Directors