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2000-22

**DOLCO**  
**PACKAGING**  
A ~~TEKNI~~ "Company

74095



Felicia Satchell  
Office of Nutritional Products Labeling & Dietary Supplements  
HFS 820  
F.D.A.  
200 C. Street SW  
Washington DC 20204

January 12, 2001

Dear Felicia:

I was given your name by Geraldine June. She thought it would be appropriate for me to communicate directly with you regarding the new required federal labeling on egg packaging. I am asking that you allow the flexibility of printing the new labeling on the top, side or *inside* of our egg packaging products. Dolco Packaging is the largest foam egg carton manufacturer in the U.S. with a domestic market share of over 40%. The egg packaging market is a highly competitive, very low margin business.

While we certainly appreciate and acknowledge that FDA reduced the size of the required labeling considerably, as compared to the originally proposed language, we would also appreciate your cooperation in the flexibility of placement of the labeling.

Please consider the following points ...

**CARTONS ARE OPENED BY CONSUMERS** — Under customary conditions of use, ordinary individuals open egg cartons to check eggs before purchasing or to use eggs at home. At that point, information printed on the inside of the carton becomes conspicuous and is likely to be read. In fact, some consumers consider the "inlid print" area to be the information panel of the carton. A 1987 Georgia Egg Commission confirmed that 91.5% of consumers open cartons of eggs before buying.

**DEFINITION OF "INFORMATION PANEL"** — Many of our products do not carry front or back lid printing. In fact, *most* of our annual production of over 1 billion egg cartons have printing only on the carton top and inside the lid. Virtually *all* of our nutritional labeling is printed inside of our egg packaging products, along with other messages to consumers. This is why most consumers consider the inside of the carton to be the information panel of the carton. There is one example of a USDA carton that has the USDA approval number on the inside of the carton, along with the customer's legal address.

**FINANCIAL HARDSHIP TO COMPLY** — Since over half of our print lines *do not* have the capability to print on the front or back of our cartons, in order to comply with the ruling as it is currently written, we must either buy more printing equipment or change all of the current carton artwork we currently print. The cost for this added printing capability would be over \$600,000 plus installation, labor and manufacturing interruption. The cost to change all existing carton artwork nationally would amount to nearly \$2 million in new printing plates! Should inlid printing *not* be allowed, we would be forced into additional financial hardships. Adding sidelid print to our products adds to our set-up time and also requires us to slow our printers down. These items will negatively impact our ongoing cost per carton.

**COMPLIANCE FORCES CARTON COSTS TO RISE** — Sidelid print from our company is only offered to customers as an optional feature at an added cost. Most of our customers choose to avoid this added cost. In fact, less than 15% of the total cartons we make utilize sidelid print. Generally speaking, sidelid print has been associated with molded pulp cartons and inlid printing is normally a feature of foam cartons. There is a very real potential that customers who do not want their corporate artwork to be altered will be forced to pay for sidelid printing to accommodate this new rule or simply choose to buy from our pulp competition, further impacting our business negatively.

**PRINT SPACE AVAILABILITY (EGG CARTON SAMPLES PROVIDED)**

- ▶ 6 Egg sample — The Amish Country and Egglan's Best samples provided are examples of typical print jobs. We physically *cannot* print on the front or back sides of this carton. As you can see, complying with this rule would require a complete artwork revision, which would significantly reduce the customer's merchandising space.
- ▶ 8 Egg sample — The Rose Acre carton provided also illustrates a full artwork design. Sidelid printing is not an option for the 8 Egg. Please note the picture printed on the top of this 8 Egg sample. More and more customers are designing attractive artwork on the top of our 2x6, 3x6 and other sized egg cartons to catch the eye of the consumer. This more creative artwork occupies more carton space, thus forcing items such as NLEA, state license numbers, "sell by" notations, USDA shields, UPC scanning codes and legal line information to be printed elsewhere on the carton. We simply

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need the ability to move this information appropriately in order to comply with USDA, state and federal print requirements while still meeting the artwork needs of our many customers.

- ▶ 12 Egg sample — The Kroger carton illustrates the customer's preference to avoid sidelid print upcharges. This carton also shows printing of NLEA and Safe Handling Instructions. By the way, millions and millions of our cartons currently carry this identical inlid print every week! The Egglard's Best carton illustrates the customer's preference to fully utilize the available space on our carton for product merchandising. There are similar customers who will find it difficult to add the new labeling to their professionally designed artwork.

I have enclosed copies of our proposed rule comments for your review, along with a copy of my fax to Geraldine June. Please feel free to review these. I will call you to follow up on our request to add inlid print as another option for complying with the mandated safe handling labeling. Allowing the safe handling instructions to be placed on the inside information panel would be consistent with what the consumer is accustomed to seeing and would allow us to comply with this rule in weeks rather than months, while avoiding the hardship of spending millions of dollars. In addition, allowing inlid printing will relieve other smaller foam carton manufacturers of a potentially heavy financial burden placed on them by this ruling. It will also allow the pulp flat-top carton design to readily comply.

Thank you for your consideration.

Best regards,

DOLCO PACKAGING



Phil Laughlin  
Regional Sales Manager

/bjm

Enclosures

cc: Norm Patterson - Senior V.P.