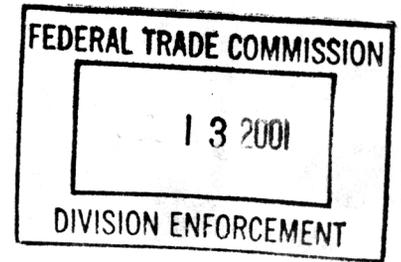


MASCO

MASCO CORPORATION



Norman Yoerg
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July 12, 2001

Hampton Newsome
Attorney
Federal Trade Commission
Division of Enforcement
Bureau of Consumer Protection - Mail Stop 4302
600 Pennsylvania Avenue N.W.
Washington, D.C. 20580

Dear Mr. Newsome:

My client, Watkins Manufacturing Corporation, is one of the leading manufacturers of spas in the United States. Watkins requests the FTC's advice concerning the Federal Trade Commission's Appliance Labeling Rule.

As you are aware, the Federal Trade Commission's Appliance Labeling Rule requires EnergyGuide labels on certain products, directs the manufacturers of these products to use standard test procedures to identify their energy use and efficiency, and mandates that many of these tests be performed by independent laboratories. However, we do not believe there are any procedures or tests for spas because the Appliance Labeling Rule does not cover that product. Watkins requests that the Federal Trade Commission provide it with a letter responding to the following questions:

- Does the FTC's Appliance Labeling Rule on EnergyGuide labels apply to spas?
- Have either the FTC or DOE promulgated any U.S. government standards to test a spa's energy use or efficiency?

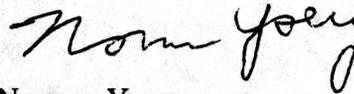
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- Does the FTC or the DOE endorse companies using the EnergyGuide label to promote their spa's energy use or efficiency and does the FTC have any prior substantiation or deception requirements that would apply in using that label?

Thank you for your consideration of this request.

Sincerely yours,



Norman Yoerg
Associate Corporate Counsel

NY:jme
Enclosures