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

(Filed electronically at <https://secure.commentworks.com/ftc-energylabeling>)

Re: Energy Labeling, Project Number R511994

Dear Secretary Clark:

Whirlpool Corporation appreciates the opportunity to comment in this matter. As one of the leading manufacturers and marketers of home appliances, we have considerable experience in the development and use of these labels along with consumer reactions to them.

The concept of providing a basis of comparison for energy consumption among various models has proven to be very effective for manufacturers, retailers and consumers alike. Both market research and anecdotal evidence suggest that the current labels provide consumer benefit. While Whirlpool believes that the current label can be modified to improve its use, we do not believe that a wholesale revision is called for at this time.

Whirlpool and the Association of Home Appliance Manufacturers (AHAM) conducted a consumer research study where a nationally representative sample of 1,000 respondents compared the current label with three alternatives. AHAM is including the detailed research results in their comments on this matter. Whirlpool concurs with the comments of and conclusions reached by AHAM and hereby incorporate them by reference.

The purpose of the study was to identify the types of information conveyed by each of the four labels, to measure usefulness of the information conveyed and to examine preference for four alternative EnergyGuide label designs. It was also desired to

determine which label design which, with an ENERGY STAR® logo added, most clearly conveyed high efficiency of that appliance.

The goal was to determine which label provided the consumer with the best information on the relative and absolute energy consumption of a particular model appliance. It was equally important that the label not create the impression that it included information on anything other than energy consumption; that is, that it not imply anything about product quality, product performance or any other non-energy characteristic.

Research Results

Based on that quantitative, nationally representative sample, Whirlpool believes:

- The existing FTC label should be retained in a form similar to the current continuous-scale format. There are opportunities for improved clarity and consumer communication. These include:
 - Making the label easier to read, including use of a white background in the data area
 - Showing a quartile scale for the range of all comparable models
 - Using a variable bar, rather than just an arrowhead for the particular model
 - See Exhibit 1 (attached) for a specific example of these points
- Use of a subjective grading system should be avoided as it will limit consumer choice
- The label must provide consumers with accurate information without inappropriately biasing the purchase decision
- Use of a categorical-style label causes confusion and misunderstanding in consumers
- Use of a categorical-style label will jeopardize the very successful ENERGY STAR market transformation program

Whirlpool Experience With the European Label

- As one of the largest appliance companies in Europe, Whirlpool has experience with the European label as well. That label (which categorizes models from A++ through G) is subjective nature. As such, it creates greater opportunity for fraud, confusion, misuse and misinterpretation.
- There may be little meaningful difference between one grade (say “B”) and the next one (say “C”), but the label does nothing to help the consumer discern the degree of difference. Thus, the consumer may pay considerably more for the “B”-rated model, yet only save pennies per year in energy costs.
- The European label indicates or implies non-energy product characteristics such as noise, product quality and product performance as well as energy efficiency.
- Use of a label such as this would require development of extensive test criteria and procedures around noise, quality, performance and other characteristics. The FTC would be put in the position of monitoring and enforcing compliance with these technical aspects of appliance products.

Shortcomings of the ACEEE Study

In the Federal Register notice of this action (Volume 70, Number 211, November 2, 2005) the FTC cites a study done in 2002 by the American Council for an Energy Efficient Environment (ACEEE). This study has several flaws which render it invalid for use in this proceeding:

- The quantitative analysis is based on a mall intercept. While this approach may have value in other efforts, it is not a nationally representative sample of appliance purchasers. That is, it does not proportionally represent consumers by age, income, housing type, geographic dispersion, etc. (Conversely, the AHAM research cited above is nationally representative.)
- The “purchase experiment” provides no statistically significant results. Indeed it appears to be a series of unrelated experiments. Also, the results are misleading in that they imply product quality, not solely energy consumption.

Conclusion

Consumers want to be able to identify the relative and absolute energy consumption of various models as part to the purchase-decision process. Whirlpool believes that the current continuous-style label can be updated to improve its readability and effectiveness. The changes proposed herein will address that objective.

Thank you for the opportunity to comment in this matter.

Sincerely,

Exhibit 1—Sample Label With Highest Consumer Rating in AHAM/Whirlpool Research

