



May 12, 2010

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

Via Electronic Submission
<https://public.commentworks.com/ftc/tvdisclosures/>

Re: Disclosures Regarding Energy Consumption and Water Use of Certain Home Appliances and Other Products Required Under the Energy Policy and Conservation Act (“Appliance Labeling Rule”) – Notice of Proposed Rulemaking

Dear Sir or Madam:

Consumers Union,¹ the non-profit publisher of *Consumer Reports*®, appreciates the opportunity to comment on the Federal Trade Commission’s (FTC) request for public comment on the notice of proposed rulemaking (NPRM) regarding energy consumption labeling of certain home appliances. Consumers Union believes that the FTC has an important role to play in ensuring that consumers receive accurate and relevant energy consumption information when purchasing electronics and appliances. Such disclosures could help consumers compare and contrast products, and would further consumer choice in the marketplace.

I. Summary and General Comments

The Energy Star website estimates that 275 million televisions are currently in use in the U.S., consuming over 50 billion kWh of energy each year — the equivalent of 4 percent of all

¹ Consumers Union of United States, Inc., publisher of *Consumer Reports*®, is a nonprofit membership organization chartered in 1936 to provide consumers with information, education, and counsel about goods, services, health and personal finance. Consumers Union’s publications and services have a combined paid circulation of approximately 8.3 million. These publications regularly carry articles on Consumers Union’s own product testing; on health, product safety, and market place economics; and on legislative, judicial, and regulatory actions that affect consumer welfare. Consumers Union’s income is solely derived from the sale of *Consumer Reports*®, its other publications and services, fees, noncommercial contributions and grants. Consumers Union’s publications and services carry no outside advertising and receive no commercial support.

households' electricity use.² These estimates are likely to increase within the next few years, as most consumers choose to replace old TVs with bigger sets. In addition, testing performed by *Consumer Reports*® in 2010 has revealed that televisions are not only significant consumers of energy in a regular household, but also that noticeable variances exist between annual energy costs of televisions currently sold on the market.³ *Consumer Reports*® estimates, for example, that the annual energy costs for 46 and 47-inch LCD televisions could potentially vary from \$31 to \$94. For televisions 52 inches and larger, average annual energy costs can range from \$33 to \$79. Few consumers realize that the average energy costs for a television could equal or rival annual energy costs of a refrigerator.⁴ Because consumers today are increasingly concerned with energy efficiency and with keeping household costs low, providing clear, accurate information about a television's annual estimate energy costs will allow consumers to make purchasing decisions that reflect their energy use preferences. In addition, as consumers' purchasing decisions will be increasingly affected by energy efficiency concerns, this trend will promote competition among manufacturers and encourage the development of more energy efficient products.

The NPRM's labeling requirements will play an important role in giving consumers access to important energy efficiency information. Consumers have no other reliable means of determining the average energy costs for electronics. In addition, energy efficiency testing is not technologically and economically infeasible, as many manufacturers already test products in order to obtain ENERGY STAR certification.⁵ Consumers Union does have some concerns, however, that the testing procedures prescribed by the rule may lead to inaccurate energy cost estimates. In addition, Consumers Union encourages the FTC to adopt similar labeling requirements for personal computers, monitors, and multi-function devices.

II. Annual Energy Cost Testing

Consumers Union believes that the established usage rate of 5 hours per day in on-mode and 19 hours per day in standby mode deserves further consideration. We believe that the research quoted in the Federal Register notice may actually underestimate TV household usage because it asks individuals how many hours of television they watch each day, as opposed to asking how many hours the TV is powered on. Often times, consumers leave the TV in on-mode, even though they are not actively viewing it. As a result, Consumers Union believes that the 5-hour on-mode, 19-hour standby-mode usage rate will provide an inaccurate estimate of annual energy costs.

In addition, televisions of different sizes are placed in different areas of the home, and will have different usage patterns. One cannot and should not assume that a 20-inch model located in the kitchen is used in the same way as a 50-inch model in the media room. Testing requirements should account for the different usage rates associated with different screen sizes in order to provide a more accurate estimated annual cost.

² http://www.energystar.gov/index.cfm?fuseaction=find_a_product.showProductGroup&pgw_code=TV

³ Consumer Reports Electronics Buying Guide, Spring 2010.

⁴ In testing 18 top-freezer refrigerators available on the market, Consumer Reports determined that average annual energy use ranged from \$48 to \$65.

⁵ Mitsubishi Digital Electronics America Inc. Comment: <http://www.ftc.gov/os/comments/tvenergylabels/index.shtm>

As a result, Consumers Union urges the FTC to adopt an 8-hour on-mode, 16-hour standby mode daily usage rate for television sizes of 26 inches and larger. The same usage rate could also apply to television sizes under 26 inches, but we believe further research is needed to determine usage patterns for smaller televisions that are located in areas of the home other than the living room or media room.

Consumers Union is also concerned that manufacturers need not subject each basic model to testing annually; they must retest only if the product design changes in such a way as to affect energy consumption. But how will a manufacturer know if a product design change affects power consumption unless some testing is performed and disclosed to the regulating body? Manufacturers should be required to perform some testing whenever a product design is changed, in order to determine whether the label must be altered.

III. Location of Label

Consumers Union supports the requirement that energy efficiency labels be prominently displayed on both the product and its shipping carton. We believe, however, that most consumers are likely to dispose of the carton and stickers immediately following purchase. As a result, the label should also be reproduced on the cover of the user manual, so that consumers may use it for future reference.

In addition, to make comparisons as easy as possible, the label should be placed in the same location each time. The rule could make an exception for very small television models, however, by requiring a “hang tag” label on models with a bezel width under $\frac{3}{4}$ inches. The “hang tag” label could be aligned with the inside edge of the bezel and would hang past the outer edge of the bezel as needed. This placement would not block view of the screen.

IV. Format of label

Consumers Union believes that the format of the label, as it is presented in the Federal Register notice, would be appropriate and helpful to consumers. However, we are concerned that the declining visual acuity of the aging population will make the text hard to read. Hard-to-read text is likely to be ignored. As a result, we would recommend that the rule limit the smallest font size to 10-point type. In addition, Consumers Union prefers standard Arial font over Arial Narrow. Arial Narrow’s narrower and more crowded characters decrease readability, thus increasing the chance that consumers will overlook the label. High-contrast color selection (i.e. black on yellow) should also be prescribed.

V. Contents of Label

Consumers Union supports the requirement that all labels include comparative information regarding energy usage costs of other similar models. This information would be very helpful to an uninformed consumer who is unaware of the typical energy costs for a given range of product. However, the decision to use only 10-inch screen size increments seems arbitrary, especially because the TV marketplace has a well-established and well-defined selection of screen sizes. A

finer segmenting of screen sizes might better capture small comparative groups and avoid confusing consumers.

As a result, Consumers Union proposes grouping the screen sizes based on actual distribution of sizes on the market over the last decade (i.e. 26, 32, 37, 40, 42, 46, 47, 50-inches, etc.). For example, the comparative groups might be 0 to 18, 19 to 24, 25 to 28, 29 to 32, 33 to 38, 39 to 43, 44 to 48, 49 to 53, 54 to 57, and 58 or more. The exact endpoints could be refined once other entities have provided input, but the overall concept should stand.

VI. Models with Multiple Functions

Our market research suggests that full-size televisions with built-in DVD or Blu-ray players currently make up a very small portion of the market. The percentage does increase somewhat when considering only models with smaller screen sizes. However, Consumers Union believes that even where special functions do exist, they do not significantly add to energy consumption because they do not consume significant amounts of power and are used relatively infrequently. This could change significantly over time, however, so we should continue to track any new technological developments. In addition, Consumers Union would also like to point out that Internet connectivity is emerging as a prevalent feature in many models, and is expected to appear on 20% of televisions sold in 2010. Although it is too early to determine whether this feature will be sufficiently used by consumers to impact energy consumption, the FTC should review this rule in the future and analyze the effects of Internet connectivity.

VII. Personal Computers

Consumers Union has not gathered energy use data for personal computers, but we are considering doing so, as the energy costs could be significant within some households. Although determining a single standard energy usage rate would be difficult, we do not believe it would be impossible. The measurement process should be straightforward if standard conditions, such as the Energy Star method, are used. The method should include dynamic tests and exercise the most realistic user scenarios. In addition, a personal computer can also manage or monitor its own energy use, either by using a supplied feature (e.g., MS Windows' Power Control Panel) or through additional free software (e.g., CO2 Saver, Edison, Granola).⁶

VIII. Personal Computer Monitors

Consumers Union supports energy cost labeling of personal computer monitors. We have been measuring energy use data on personal computer monitors for many years. Our testing so far has shown a wide range of on-power figures. The methods we have used to test both TVs and monitors so far differ from Energy Star and other standards. We measure monitors with optimized picture settings rather than out-of-box settings. We use a static test pattern, rather than one dynamic video segment. We do not engage any special energy saving features. The usage rate we have adopted for calculating annual cost is 4 hours powered on, and 20 hours standby via

⁶ Windows 7 Power Management: Power Management Improvement in Windows 7 Beta, April 2009. http://download.microsoft.com/download/8/5/4/854f66b6-8c09-4f8a-986e-38e9ebac1677/windows7_power_management_whitepaper.pdf

DPMS (Display Power Management Signaling) from the computer. We accept the idea that a dynamic test condition may become more relevant for this product, as manufacturers may begin to implement dynamic design features in LCD monitors.

IX. Multi-function devices

Consumers Union supports energy use labeling of multi-function devices (MFD). We have been measuring energy usage data on MFDs for a number of years. Our test method was co-developed with other European consumer product reporting and testing organizations as members of ICRT (International Consumer Research and Testing, London, England). Our testing so far has shown a wide range of standby-power figures for MFDs.

X. Conclusion

In conclusion, Consumers Union strongly supports the FTC's initiative in requiring energy cost labeling on televisions. We believe that this rulemaking will result in greater consumer choice and will incentivize the industry to develop more energy-efficient products. Should you have any questions or concerns, please do not hesitate to contact me at (202) 462-1115.

Sincerely,

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