

**Before the
Federal Trade Commission
Washington, D.C. 20580**

In the Matter of)	
)	
Rule Concerning Disclosures Regarding)	
Energy Consumption and Water Use of)	Project No. P094201
Certain Home Appliances and Other Products)	(RIN 3084- AB03)
Required Under the Energy Policy And)	
Conservation Act ("Appliance Labeling)	
Rule"))	

**COMMENTS OF
MITSUBISHI DIGITAL ELECTRONICS AMERICA, INC.**

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Energy Consumption and Water Use of)	Consumer Electronics Labeling
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MITSUBISHI DIGITAL ELECTRONICS AMERICA, INC.**

MITSUBISHI DIGITAL ELECTRONICS AMERICA, INC. ("MDEA") appreciates the opportunity to file these comments on the Commission's Notice of Proposed Rulemaking in the above-entitled matter.¹

I. DETERMINING ENERGY USAGE

The Commission proposes to require the IEC 62087 Ed. 2.0 measurement standard as adopted by the ENERGY STAR program.² This proposal is consistent with MDEA's previous comments.³ The Consumer Electronics Retailers Coalition ("CERC") recommends use of the

¹ *Federal Trade Commission*, Rule Concerning 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"), 75 FR 11483 (Mar. 11, 2010) ("*NPRM*").

² *Id.* at 10.

³ Comments of Mitsubishi Digital Electronics America, Inc., #540779-00005, available at <http://www.ftc.gov/os/comments/tvenergylabels/540779-00005.pdf> ("*MDEA Comments*") at 7.

ENERGY STAR procedures.⁴ The Consumer Electronics Association (“CEA”) and the Natural Resources Defense Council (“NRDC”) support use of IEC 62087 Ed. 2.0.⁵

Originally, ENERGY STAR procedures were specified using solely IEC 62087 Ed. 2.0.⁶ The Commission proposes adopting the ENERGY STAR procedures.⁷ The Commission also claims that CEA has not yet published CEA-2037.⁸

CEA has promulgated an ANSI-approved standard CEA-2037 which codifies the testing and measurement procedures used by version 3.0 of the ENERGY STAR television requirements.⁹ The ENERGY STAR program has now released version 4.1 and 5.1 of the ENERGY STAR television requirements, now referring to CEA-2037 for the measurement procedures.¹⁰

We are aware that the Department of Energy has expressed interest in initiating a rulemaking to adopt an energy measurement procedure for televisions, but this has not yet begun.¹¹

The Commission should adopt ANSI/CEA-2037 as the procedure for determining television energy usage.

II. LOCATION, FORMAT AND CONTENT OF ENERGY DISCLOSURES

Energy disclosure labeling on television products presents logistical issues which are somewhat different from the issues presented for labeling of refrigerators, clothes washers and

⁴ Comments of the Consumer Electronics Retailer Association, #540779-00010, *available at* <http://www.ftc.gov/os/comments/tvenergylabels/540779-00010.pdf> at 2.

⁵ Comments of the Consumer Electronics Association, #540779-00007, *available at* <http://www.ftc.gov/os/comments/tvenergylabels/540779-00007.pdf> at 5; Natural Resources Defense Council (NRDC) Comments to FTC on ENERGY GUIDE Labels for New Televisions, #540779-00003, *available at* <http://www.ftc.gov/os/comments/tvenergylabels/540779-00003.pdf> at 3-4.

⁶ ENERGY STAR Program Requirements for TVs: Version 3.0 (Feb. 2008) at 8 (specifying usage of IEC 62087).

⁷ *NPRM* at 11.

⁸ *Id.* at 12.

⁹ Consumer Electronics Ass’n, *Television Energy Measurement*, ANSI/CEA-2037 (June 2010).

¹⁰ ENERGY STAR Program Requirements for TVs: Versions 4.1 and 5.1 (Apr. 2010) at 11 (specifying usage of CEA-2037 and IEC 62087).

¹¹ *NPRM* at 12.

similar “white goods”. However, we believe that the Commission’s proposed label is generally appropriate for televisions.

A. LOCATION

In MDEA’s comments on the *Advance Notice*,¹² we indicated that the labels “should substantially follow the existing EnergyGuide format, content, and placement requirements.”¹³ We agree with CERC that labeling should be the manufacturer’s responsibility, and that any requirement on retailers to attempt to match labels with products will not yield perfect compliance due to the retail sales environment.¹⁴

However, for several reasons we do not believe that the EnergyGuide label should be required to be on the television box in addition to the product itself.

i. CARDBOARD BOXES ARE DESIGNED AND ORDERED FAR AHEAD OF PRODUCT DESIGN COMPLETION

The design and procurement process for cardboard boxes is generally completed well before the final energy consumption measurements are taken. Indeed, boxes are designed and ordered before the energy consumption characteristics are known.

The logistics of production of cardboard boxes is one of the longest lead-time items in television products. Cardboard boxes require approximately six months from print design finalization to delivery in a form ready to have products placed in them.

Furthermore, energy consumption characteristics are one of the *last* things determined during the design cycle. Brightness and color settings are made in consultation with engineering and marketing departments as part of the final model qualification and acceptance process, and

¹² *Federal Trade Commission*, 16 CFR Part 305: Rule Concerning 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”), 74 FR 11045 (Mar. 16, 2009) (“*Advance Notice*”).

¹³ *MDEA Comments* at 7.

¹⁴ *See supra* note 4, at 3.

these settings strongly influence the power consumption of the TV. A representative from Sharp has indicated that their process and box acquisition constraints are similar.¹⁵

EnergyGuide labels may be acquired fast enough to be ordered after energy measurements are taken and before devices are boxed for shipment, but boxes can not be.

ii. UNBOXED TELEVISIONS ARE GENERALLY ON DISPLAY EVEN WHEN BOXES ARE DISPLAYED AT RETAIL

Televisions are generally merchandised with one unit on display and working without boxes in evidence at all, or with one unit on display and boxes nearby. Some televisions are simply too large to be warehoused on a sales floor.¹⁶ Others are generally delivered from a centralized distribution warehouse. Mid- and large-sized televisions are most often delivered to the home, and are unboxed by the delivery crew.

Except for online purchases, a consumer rarely purchases a television without examining an unboxed, working unit. On the other hand, there can be no assurance that consumers will ever see the television box.

B. FORMAT

In MDEA's comments on the *Advance Notice*, we suggested three options for label format: a bezel adhesive label, a hang tag, and a cling label.¹⁷ The Commission now proposes to adopt two of those options, an adhesive label or a triangular cling label.¹⁸

We support the Commission's proposed designs as described in the NPRM for the horizontal, vertical and triangular labels.¹⁹ The proposed designs convey appropriate energy disclosure information in a manner that is likely to assist consumer purchasing decisions.

¹⁵ *Transcript of Public Meeting*, Matter P094201, April 16, 2010 ("*Transcript of Public Meeting*") at 125 ("... very, very late in the game ... brighter, dimmer, that affects the power [consumption] of the television ... boxes are printed up very much ahead of time ...").

¹⁶ MDEA's largest current models are 82" rear-projection televisions. The box for these televisions measures approximately 53" tall, 27" wide and 77" high, far too large for sales-floor storage.

¹⁷ *MDEA comments* at 7, 8.

¹⁸ *NPRM* at 15.

In light of Sharp Laboratories' comments at the April 16th Roundtable meeting, we suggest that the Commission allow the labels to be attached to the television via alternate means.²⁰ Given consumer preferences, many television designs have bezel sizes that are decreasing in size such that it may not be possible to affix a label directly on the bezel.²¹

The Commission should permit the label to be attached to the television so that it is not likely to become unintentionally detached, and is displayed either on, over or immediately adjacent to the television screen.

C. CONTENT

The Commission proposes an EnergyGuide label consistent with those for other products, including annual energy cost and energy use.²² As stated in detail below, MDEA generally agrees with the Commission's proposal.

i. Label Data

We agree that annual energy consumption numbers in kWh and average annual energy costs provide the best information for consumers, and agree with the Commission's belief that multi-year or lifetime energy consumption disclosures would be counterproductive.²³

Furthermore, we also agree with the Commission's conclusion that the EnergyGuide label should not have information such as display technology (e.g., DLP, Plasma, LCD) or screen resolution, as such data is available in other marketing materials and is not likely to assist consumers.²⁴

¹⁹ See *NPRM* at 15-17.

²⁰ See *Transcript of Public Meeting* at 63, 64 (describing an attachment mechanism that is "affixed ... to the [back of the] television, and then it gets folded and hangs over [such that the label is next to the display]").

²¹ *Id.*, at 63 (quoting Jon Fairhurst, Sharp, "we have televisions that are -- that have no bezels").

²² *NPRM* at 18.

²³ *Id.*

²⁴ *Id.* at 19.

ii. Multi-Function Devices

The Commission seeks comment on whether and how multi-function devices (e.g., televisions with integrated DVD players) should be included on the EnergyGuide label.²⁵ MDEA does not currently market such products in the United States. Whatever the Commission's conclusion on labeling multi-function devices, the requirements (if any) should only apply to multi-function devices.²⁶

iii. Duty Cycle

The ENERGY STAR program calculates energy usage using a 5 hours on, 19 hours standby duty cycle.²⁷ The Commission proposes using five hours a day in on-mode calculations to calculate annual energy cost and energy consumption information.²⁸

In MDEA's comments on the *Advance Notice*, we suggested a different usage model would be appropriate.²⁹ However, we are now convinced that consistency is more important than changing the duty cycle used for calculating energy costs, and consumers are likely to find comparable energy cost data more useful than cost data calculated by a variety of means.

We agree that the label proposed provides clear information that is likely to be helpful to consumers when making television purchases.

iv. Comparative Data

MDEA is very supportive of the Commission's proposal to require comparative information on the label grouped by screen size only.³⁰ We have stated previously, and continue to believe that the consumers buy televisions based on size and price foremost.³¹

²⁵ *NPRM* at 19.

²⁶ For example, an EnergyGuide label that states "this product does not contain a DVD player or recorder" would be cumbersome and unhelpful.

²⁷ *Supra* note 10, at 6.

²⁸ *NPRM* at 20.

²⁹ *MDEA Comments* at 6-7.

³⁰ *Id.* at 8.

³¹ *Id.*

We suggested that size groups should be <20” sets, then brackets by 10” increments thereafter.³² The Commission proposes a very similar regime.³³ Subsequently others have described the contours of screen size “classes” and suggested alternatives.³⁴ We now believe that CEA’s alternative size grouping proposal is appropriate, and support that proposal.³⁵

Consumers are likely to find comparative data helpful.

v. Catalog Disclosures

We support the Commission’s proposal to require Internet and paper catalog sellers to post energy cost, usage and comparative data.

D. TIMING OF PROPOSED REQUIREMENTS

The Commission is required to make effective labeling requirements “not later than” 18 months after promulgation.³⁶ The Commission believes that six months’ notice is adequate and requests comment.³⁷

We are very supportive of a labeling requirement, but it is extremely difficult and expensive to make changes to the manufacturing process in the middle of model production.

Generally, television models are announced early in a calendar year (often on or about Consumer Electronics Show dates, approximately the second week in January). These newly-announced models are then finalized, and manufacturing begins between late spring and summer. Finally, they become available at retail between summer and fall. In most cases, these models are replaced the following spring or summer.

³² *Id.*

³³ *NPRM* at 51.

³⁴ *Transcript of Public Meeting* at 69-70 (quoting Bill Belt, CEA, “TV sizes tend to cluster around specific numbers ... 19, 22, 26, 32, 37, 40, 42, 46, 55, and 65”); *Transcript of Public Meeting* at 72 (quoting Noah Horowitz, Natural Resources Defense Council, “There are some natural break points around 32, 37, so we think the ten inches that were originally proposed aren’t quite right.”); Consumer Electronics Ass’n, *Reference Document from CEA for FTC Public Meeting*, Apr. 16, 2010, available at <http://www.ftc.gov/os/comments/tvenergylabelsnprm/ParticipantDocument3.pdf>.

³⁵ Consumer Electronics Ass’n, *Reference Document from CEA for FTC Public Meeting*, (describing size groups delimited at 20.5”, 23.5”, 29.5”, 34.5”, 39.5”, 44.5”, 49.5”, 54.5”, 59.5”, 64.5” and 69.5”).

³⁶ *NPRM* at 24; 42 U.S.C. 6294(a)(2)(I)(iii).

³⁷ *NPRM* at 24.

Given the television design cycle, we do not believe that an effective date six months after rule publication is necessarily appropriate. The effective date should be set in early summer, in order to align with television model changes. Also, the effective date should not be less than six months later than the final rule publication in order to allow for label design and production.³⁸ Under this scheme, notice would be between six and 18 months after rule publication.

III. SUMMARY

MDEA is in favor of Commission regulation requiring energy consumption labeling requirements for televisions and television monitors. This disclosure would be beneficial to consumers evaluating products in the marketplace and would serve as an essential resource in accurately calculating operating energy costs. Such disclosure is entirely consistent with current government policies that heavily emphasize energy efficiency and the importance that consumers associate with energy efficient technologies. The CEA-2037 measurement standard, as referenced by ENERGY STAR, is an appropriate, effective, inexpensive power measurement procedure. The effective date of a labeling requirement should be in early summer.

Respectfully Submitted,

**MITSUBISHI DIGITAL ELECTRONICS
AMERICA, INC.**

³⁸ One way to specify this would be to set an effective date on the first June 1st that is more than after six months from the date of publication.