Before the
UNITED STATES FEDERAL TRADE COMMISSION
Washington, D.C. 20580

In the Matter of

Rule Concerning Disclosures	)	
Regarding Energy Consumption and	)	
Water Use of Certain Home Appliances	)	
and Other Products Required Under	)	
the Energy Policy and Conservation	)	16 CFR Part 305
Act ["Appliance Labeling Rule"];	)	
Notice of Proposed Rulemaking	)	
	)	
Consumer Electronics Labeling	)	
Project No. P094201	)	

COMMENTS OF THE
CONSUMER ELECTRONICS ASSOCIATION

Introduction

The Consumer Electronics Association (CEA) is the preeminent trade association promoting growth in the $172 billion U.S. consumer electronics industry. CEA represents more than 2,000 corporate members involved in the design, development, manufacturing, distribution, sale and integration of audio, video, in-vehicle electronics, wireless and landline communications, information technology, home networking, multimedia and accessory products, as well as related services that are sold through consumer channels.

CEA and its members have a significant interest in the Federal Trade Commission's development and promulgation of energy use disclosure requirements for consumer electronics, including televisions, personal computers, cable and satellite set-top boxes, stand-alone digital video recorders, and personal computer monitors, pursuant to Section

325 of the Energy Independence and Security Act of 2007 (EISA 2007). CEA is active in several areas related to power consumption and energy efficiency in consumer electronics, including public policy, research and analysis, industry standards development, and consumer education. CEA supports energy use disclosures and welcomes the opportunity to provide input during this proceeding. CEA believes that energy use disclosures are complementary to the U.S. Environmental Protection Agency's ENERGY STAR program and recognizes that the Federal Trade Commission (Commission) will work closely with EPA as indicated in EISA 2007. We offer the following comments to guide the development of energy use disclosures for consumer electronics.

Test Procedures

The Energy Policy and Conservation Act (EPCA) authorizes the Commission to use "adequate non-Department of Energy test procedures," and such procedures now exist for televisions. Specifically, EPA's ENERGY STAR program recently adopted criteria for televisions based on specific industry standards. For operation in the Sleep Mode, the *Draft* IEC 62301, Ed 2.0: *Household Electrical Appliances – Measurement of Standby Power* is used. For operation in the On Mode, IEC 62087, Ed 2.0: *Methods of Measurement for the Power Consumption of Audio, Video and Related Equipment, Section 11, "Measuring conditions of television sets for On (average) mode"* and CEA-2037: *Determination of Television Average Power Consumption* (December 2009) are used.

ANSI/CEA-2037 consolidates the ENERGY STAR requirements into a focused energy consumption measurement standard. A copy of ANSI/CEA-2037 has been submitted separately to the Commission for the Commission's review and reference.

ANSI/CEA-2037 was published in March 2010 and is certified as a national standard by the American National Standards Institute (ANSI). ANSI/CEA-2037 incorporates the specific portions of the IEC standard relevant to testing for eligibility with the EPA's ENERGY STAR specification for televisions. The standard references the relevant portions of the international standard and simplifies testing for U.S. products by eliminating the possibility that other portions of the international standard would be used during testing.

ANSI/CEA-2037 covers all areas of power consumption measurement needed to produce accurate information for the disclosure labels as anticipated in the Commission's Notice of Proposed Rulemaking. Further, ANSI/CEA-2037 is fully consistent with all relevant portions of the ENERGY STAR testing criteria. Accordingly, we urge the Commission to recognize and adopt ANSI/CEA-2037 as the single testing procedure for purposes of energy use disclosure labels for televisions.

Location of Energy Use Disclosures

The Commission proposes requiring television product labels similar to EnergyGuide labels for appliances. CEA agrees with the Commission that energy labels affixed on displayed products are likely to assist consumers when making buying decisions. Further, we agree that an electronic image of the EnergyGuide label should be displayed on (or linked to) the "Product Detail Page" for websites selling televisions.

However, an energy use disclosure on the box is duplicative and unnecessary. It is unlikely to provide any benefit to consumers and will significantly increase the cost of compliance.

Although some retail establishments place television boxes in the showroom, those same TVs are usually displayed outside the box, giving consumers the viewing experience they demand before finalizing their purchasing decisions.

Boxes cartons for televisions are designed and manufactured well in advance of the television itself. Typically, cardboard boxes and related plastic parts have some of the longest lead times of television components, so a requirement to label boxes would likely force manufacturers to use adhesive labeling on boxes – an expensive (and less environmentally friendly) solution which is not likely to assist consumers when making buying decisions. Therefore CEA does not believe that labels should be required on the television box.

Format of Energy Use Disclosures

The Commission proposes two options for television EnergyGuide labels: a small rectangular adhesive label affixed either vertically or horizontally on the product's bezel (*i.e.*, the border or frame surrounding the television) or a triangular cling label affixed to the bottom right hand corner of the screen.

A consumer's viewing experience is critically important to the purchase decision for televisions. Some retailers and manufacturers have expressed a strong aversion to cling labels affixed on the screens. It is believed that these cling labels can distract from the viewing experience and may risk damage to the screen when removed by a consumer after purchase.

On the other hand, we note that some TVs do not have bezels. Indeed, at the 2010 International Consumer Electronics Show several manufacturers displayed TVs without bezels which they intend to introduce into the marketplace sometime this year. It is too early to know if this innovative design will spark a trend towards TV screens without bezels, but we note the importance of having energy disclosure labeling rules that can accommodate future innovation in product design.

Allowing multiple options for the format of the disclosure ensures that the Commission's rules will be "future proof." Accordingly, we urge the Commission to allow both options they have suggested - labels on bezels and cling labels on screens. Although the Commission's notice does not contain a hang tag option, this disclosure technique should be reconsidered. The Commission claims that hang tags could become easily dislodged, but evidence for this conclusion is not provided. CEA believes the Commission should explicitly allow alternate label attachment methods if such methods provide equivalent label placement – such as the example device shown by Sharp at the April 16, 2010 public meeting.[1]

The Commission should also consider allowing labels with smaller overall dimensions for TVs with a diagonal screen size of 22 inches or smaller. The label proposed by the Commission is too large to be affixed to the bezel of many of these smaller TVs.

Moreover, an option for electronic labeling should also be considered but requires considerable further exploration. The mechanism for accessing such an electronic label on a television needs much more exploration by stakeholders to ensure that sales associates and consumers could easily access the information at retail, regardless of product brand. Also, the rendering of such an electronic label must consider appropriate fonts and color scheme specifications to ensure the on-screen label accurately matches its printed counterpart. We urge the Commission to act quickly to explore the implementation of electronic labeling as an option, but we note there are significant implementation choices to be made. The establishment of an electronic label must not be permitted to delay this rulemaking.

Finally, CEA believe that a reverse color label (black background with yellow text) should be allowed, in addition to the current color scheme. We are concerned that the large, bright yellow surface of the currently proposed labels may detract from the design and picture of some televisions.

CEA urges the Commission to recognize that manufacturers and retailers must have the flexibility to choose the appropriate attachment mechanism, location, and color scheme of energy use disclosure labels within a broad framework of alternatives offered by final rules. The goal must be to maximize consumer accessibility to the label, while recognizing the varied ways TVs are displayed for sale.

Content of Energy Use Disclosures

The Commission proposes requiring product specific information consistent with EnergyGuide labels for other products, including annual energy costs based on a uniform electricity rate of eleven cents per kilowatt hour and a usage rate of five hours per day in on mode and 19 hours per day in standby mode. The Commission also proposes

[1] The device show is a flexible plastic "arm" which may be affixed to any portion of the television (e.g., the rear panel) and holds the label adjacent to the screen (where a bezel would be, if the television has a bezel at all).

requiring comparative information in the form of a small scale on the label similar to that required on EnergyGuide labels for appliances. Specifically, the Commission proposes to require comparative information on the label grouped by television screen size.

CEA agrees with the Commission's proposals for electricity rate and usage rate. Further, we agree that comparative information, based on screen size, could help consumers by illustrating how a particular model compares to similar products on the market. The Commission proposes ranges of comparability in section 305.17 of the proposed rule. However, CEA proposes slightly modified ranges. Specifically we propose the following:

CEA Proposal
0 to 20" (0 to < 20.5)
21 – 23" (≥ 20.5 to < 23.5)
24 – 29" (≥ 23.5 to < 29.5)
30 – 34" (≥ 29.5 to < 34.5)
35 – 39" (≥ 34.5 to < 39.5)
40 – 44" (≥ 39.5 to < 44.5)
45 – 49" (≥ 44.5 to < 49.5)
50 – 54" (≥ 49.5 to < 54.5)
55 to 59" (≥ 54.5 to < 59.5)
60 to 64" (≥ 59.5 to < 64.5)
65 to 69" (≥ 64.5 to < 69.5)
70" or more (≥ 69.5 or more)

These ranges for comparative information are based on an existing industry collection of sales data. It more accurately compares TVs to similar models in the marketplace, which will further assist consumers in making their buying decisions.

Actual sales of TVs tend to "cluster" around certain sizes (e.g. 19", 22", 26", 32", 37", 40", 42", 46", 55", 65"). The CEA proposal aims to minimize the inclusion of more than one "cluster" point in each group. Accordingly, sales volume is more evenly spread across the more refined product size grouping CEA proposes.

Timing of Proposed Requirements

Television models generally are debuted at the International Consumer Electronics Show, which is held in January. Newly-introduced models generally enter production several months afterward – old models exit production, and new models begin production in the middle of the year.

The Commission proposes that six months' notice is adequate for implementation of energy use disclosure labels. CEA believes that both lead-time and model cycle should play a role in effective date determination.

CEA does not take a position on whether six months of lead time is sufficient. However, the Commission should set an effective date that provides both sufficient lead time *and* takes effect in early summer, the traditional model-change period.

Portable, Handheld, and Automotive Television Devices

The Commission should find that for portable and automotive televisions that operate on battery power, including rechargeable batteries, energy use disclosure labels are not required.

Portable, and in many cases handheld, televisions are small devices designed to use minimal power so that consumers can use them on an untethered basis for extended periods of time without having to recharge the batteries. Indeed, the battery life of these portable devices is routinely referenced by consumers to inform their purchasing decisions. In this way, battery powered televisions, including TVs with rechargeable batteries, are unlike the typical television that must be powered by the local AC mains.

Similarly, TVs manufactured for installation into automobiles share the same low power characteristics as other portable and handheld TVs. These TVs are also not powered by the AC mains.

The Commission should not subject battery-powered televisions, already designed to be infrequently-charged, low-power devices, to energy use disclosure labeling rules that are

otherwise focused on mains-connected devices with much more significant power draw and operating cost characteristics.

Accordingly, the Commission's rules requiring the labeling of televisions should include a finding that televisions devices that are fully functional using internal batteries without connection to external source of power, including devices with rechargeable batteries and automotive TVs, are not required to be labeled under the rule.

Other Consumer Electronics

CEA appreciates the Commission's careful consideration of whether and how to pursue energy use disclosure requirements for the additional product categories identified in the EISA 2007, as well as other product categories the Commission identified in its notice of proposed rulemaking.

As noted in our earlier comments, we believe that Commission has the necessary flexibility to consider and develop requirements that are appropriate for the product categories identified in EISA 2007. This will be important, as the way in which consumers research and acquire products in the five named categories in this rulemaking differs not only compared to products currently addressed under the EnergyGuide program, but also as compared one to another (e.g. televisions versus computers, or set-top boxes versus stand-alone DVRs). In all categories, it is important to consider consumer preferences, expectations and purchasing behavior before determining specific requirements. CEA welcomes the opportunity to provide informative consumer research to the extent possible.

Regarding research, we mentioned in our previous comments the CEA-commissioned study of consumer electronics energy use completed in December 2007. This study examines the energy use of consumer electronics in product categories across the industry, in the context of residential electricity consumption. We had pledged to revise this study about every three years, which appeared to be an appropriate time span given the pace of change in our industry. We recently began the process of revising the energy use study, which we expect to complete this year. We expect the study would help address some of the questions the Commission presented in its notice of proposed rulemaking, particularly questions concerning energy use ranges and consumer usage patterns.

We welcome the opportunity to work closely with the FTC to establish an EnergyGuide labeling program for televisions in the near term and look forward to its successful implementation in the marketplace. As always, please do not hesitate to contact us if you have any questions or requests.

Respectfully submitted,

CONSUMER ELECTRONICS ASSOCIATION

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