



American Council for an Energy-Efficient Economy

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May 14, 2010

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

Re: Consumer Electronics Labeling, Project No. P094201

Dear Mr. Newsome:

The American Council for an Energy-Efficient Economy (ACEEE) respectfully submits the following comments on consumer electronics labeling in response to the notice of proposed rulemaking (NOPR) published in the March 11, 2009 *Federal Register*. ACEEE is a nonprofit organization dedicated to advancing energy efficiency as a means of promoting both economic prosperity and environmental protection. Energy use labeling is an important tool for informing consumers about the energy consumption of products on the market and a valuable guide to effective decision-making. We appreciate this opportunity to provide our comments on this important rulemaking.

ACEEE applauds the Federal Trade Commission (FTC) proposal to expand coverage of the EnergyGuide label to televisions and its plans to consider further expansion to additional electronics products. Consumer electronics are one of the fastest growing energy uses in American homes. Recent changes in the consumer electronics market, including the introduction of new technologies, have led to significant differences in the energy consumption of otherwise comparable products. It is critical that consumers have ready access to unbiased information for comparison of the energy use—and related cost—of products they are considering for purchase.

ACEEE concurs with the comments submitted by the Natural Resources Defense Council (NRDC). Specifically, we agree with the following points:

- **Label location.** The label should be affixed to the TV at retail in a location that is easily viewed and readable by consumers looking at the front of the TV.
- **Label size.** Larger TVs may require larger labels with larger font sizes to ensure visibility and readability as displayed in most retail settings.
- **Label layout.** Comparative information is a critical component of the label and a central feature of the EnergyGuide labeling program. To adequately communicate this information, the comparison graph on the label should be a larger and more prominent element of the label.
- **Label content.** We agree with the informational elements FTC proposes to include on the label and encourage FTC to review electricity prices annually and update the average electricity price used to calculate annual energy costs whenever prices change by 10% or more.

- **Screen size bins.** We concur with FTC's proposal to establish bins based on viewable screen size for the purposes of product comparison. We support NRDC's approach to establish bins that correspond to common sizes currently available in the market.
- **Internet labeling.** Retailer and manufacturer websites should be required to prominently display a link to a viewable EnergyGuide label. The online label should be an accurate, up-to-date EnergyGuide label following the requirements for label content and layout.
- **Test procedure.** To avoid unnecessary delay to the FTC process, we recommend that the Commission adopt the Energy Star test procedure for use until such time as DOE adopts a final federal test procedure. Upon DOE's final adoption of the test procedure, FTC should adopt this test procedure.
- **Timing.** FTC's proposal to make the labeling requirement effective six months after publication of the final rule will allow adequate time for manufacturers to meet the requirements. Further delay is of particular concern given the high sales volume for TVs and the value of this information for consumers.
- **Coverage of additional consumer electronics products.** We encourage FTC to move forward to establish EnergyGuide labeling requirements for personal computer monitors, personal computers, set-top boxes (including cable and satellite boxes and stand-alone digital video recorders).

Each of the points outlined above are discussed in greater detail in NRDC's comments. In addition, we would like to comment on a few other issues.

- **Use of cling labels on TV screens.** During the April 16 public meeting convened by FTC, the potential for cling labels to damage TV screens was raised. It was noted that this had been a problem in a campaign promoting energy-efficient TVs in the Pacific Northwest. Upon further investigation, it was discovered that the damage reported by a retailer had been caused by a defective set of labels using an inappropriate adhesive for the application. 3M has looked into the issue and found that the use of a thermally-stable adhesive should be safe for use on TV screens without causing damage.
- **Labeling of product packaging.** Another issue discussed at length during the April 16 public meeting was the suggestion that manufacturers be required to place a label on the box in which the TV is packaged. Experience with other labeled products demonstrates the ease with which labels can be removed or become detached from products on display. In addition, many retailers display boxed products on the sales floor sometimes removed from the location where TVs are displayed (this has become more common as the overall size and weight of TVs has dropped dramatically). As a result, we encourage the FTC to consider a requirement that manufacturers label the box as well as the product itself.
- **Electronic (virtual) labeling.** During the April 16 public hearing, manufacturers proposed the use of a virtual label as an alternative to attaching a physical EnergyGuide label to the television. The virtual label would appear on the television screen at a regular interval for a designated period of time while the television is in retail mode. A similar proposal was considered in Australia, but ultimately rejected. To inform the FTC as it considers this issue further, we thought it would be helpful to share some insights from Australia's experience as it developed its TV

energy label.¹ First, there was concern that the requirement would require all TVs to have a retail display mode. Some manufacturers did not support the requirement out of concern about the potential for screen burn or crystal freeze effects if the same image was repeatedly displayed in the same format over long periods of time. Any effort to eliminate that concern by limiting display of the energy label to short periods of time is counter to the objective of the labeling program to inform consumers. A second, and more critical concern, centered on enforcement given the ease with which (and perceived likelihood that) sales staff would turn off retail mode to display other programs and images that they deemed more appealing to consumers. For these reasons, Australia did move forward with electronic labeling. Instead, they use physical labels (including swing tags, adhesive bevel/edge labels, and pop up labels on the top of the TV). We share these concerns and urge the FTC to very carefully consider these issues and the potential negative impacts on consumers.

Thank you for the opportunity to provide our input on this important rulemaking. Please do not hesitate to contact me (202.507.4015 or jamann@aceee.org) should you have any questions.

Sincerely,



Jennifer Amann
Director, Buildings Program
American Council for an Energy-Efficient Economy

¹ Information about the consideration of virtual labeling in Australia comes from an email communication from Michael McCann (a consultant working with the Australian government) to Christopher Wold of the Collaborative Labeling and Appliance Standards Program, May 4, 2010.