



1111 19th Street NW > Suite 402 > Washington, DC 20036
t 202.872.5955 f 202.872.9354 www.aham.org

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Submitted by E-Mail

Hampton Newsome
Attorney, Division of Enforcement
Bureau of Consumer Protection
Federal Trade Commission

Re: AHAM Supplemental Comments;
Appliance Labeling Amendments; Matter No. R611004

Dear Mr. Newsome:

The Association of Home Appliance Manufacturers (AHAM) respectfully submits the following supplemental comments to the Federal Trade Commission (FTC or Commission) on its Notice of Proposed Rulemaking on Appliance Labeling Amendments, Matter No. R611004, 77 Fed. Reg. 15298 (March 15, 2012).

AHAM represents manufacturers of major, portable and floor care home appliances, and suppliers to the industry. AHAM's more than 150 members employ tens of thousands of people in the U.S. and produce more than 95% of the household appliances shipped for sale within the U.S. The factory shipment value of these products is more than \$30 billion annually. The home appliance industry, through its products and innovation, is essential to U.S. consumer lifestyle, health, safety and convenience. Through its technology, employees and productivity, the industry contributes significantly to U.S. jobs and economic security. Home appliances also are a success story in terms of energy efficiency and environmental protection. New appliances often represent the most effective choice a consumer can make to reduce home energy use and costs.

In our comments on this matter dated May 16, 2012, AHAM noted that it would provide the FTC with a more detailed proposal regarding transition labeling for refrigerator/freezers and clothes washers. AHAM submitted supplemental comments on July 16, 2012, requesting that the Commission authorize a transitional label for refrigerator/freezers and clothes washers to aid consumers during the transition time. Specifically, in order to make it clear to consumers that there is a difference between existing products that meet existing federal energy efficiency

standards and are measured under the old test procedure and products designed to meet the revised standards and tested under revised test procedures, AHAM proposed that the text for all products that comply with the new standards under the new test procedures (whether they comply early or on/after the compliance date) be printed in blue (cyan) ink on the yellow label and bear the statement: “Compare only to other [refrigerator/freezers or clothes washers] with blue text.” We requested that the color blue be specified as cyan in order to match the color of the ENERGY STAR logo and minimize printing costs when that logo is present on the EnergyGuide label.

AHAM now provides a mock-up of our proposed label, attached at Attachment A. The mock-up includes language that differs from our originally proposed language stated above in an attempt to communicate to consumers the reason for the transitional label. Specifically, we propose that the transitional labels state, prominently and under the estimated yearly operating cost, “Blue EnergyGuide compares only to other models with blue EnergyGuides (due to new U.S. Government requirements).” AHAM believes that that language communicates to the consumer that something has changed without delving into the complex test procedure issues that will make “blue-label products” not comparable to “black-label products.” The mock-up also shows an ENERGY STAR logo without a white outline in order to minimize printing costs. AHAM consulted with EPA regarding that proposal, and EPA did not object given the significant additional cost that could be involved in requiring a white outline on the yellow label (three color printing as opposed to two color printing).

AHAM also commented, on July 16, 2012, that the Commission should wait to revise the ranges of comparability for refrigerator/freezers until the transitional label AHAM proposed is implemented. We also proposed that FTC set a generic range rather than base the range on data manufacturers submit in their annual reports. AHAM now proposes that the Commission instead eliminate the ranges of comparability on the transitional labels, and our proposed mock-up includes this proposal. In the past, the Commission has not required ranges of comparability when a new product class is created. Similarly, when manufacturers obtain test procedure waivers from DOE, there is no possible range of comparability on the labels for those products. The transition to new standards and new test procedures in this case is similar to those situations because, due to the magnitude of the changes (which we described in our prior comments), there will be no reliable data on which to establish ranges of comparability. And it will be impossible to determine what generic upper and lower bounds should be because manufacturers will not know far enough in advance what all of their product offerings will be. Eliminating this range will not harm consumers—they will still be able to compare the estimated annual energy cost of models they are interested in purchasing by comparing one model’s tag to another. When there is data available on which to base ranges, the Commission could then reevaluate whether the inclusion of ranges of comparability is necessary.

AHAM appreciates the opportunity to submit these supplemental comments on the FTC’s Notice of Proposed Rulemaking on Appliance Labeling Amendments, and we would be glad to further discuss this matter should you request. We respectfully request that the FTC place these comments on the public record and address them in the current rulemaking as time is of the essence regarding AHAM’s proposal for early compliance labeling.

Respectfully Submitted,

~

Jennifer Cleary
Director, Regulatory Affairs

ATTACHMENT A

U.S. Government

Federal law prohibits removal of this label before consumer purchase.

ENERGYGUIDE

- Refrigerator-Freezer
- Automatic Defrost
 - Side-Mounted Freezer
 - Through-the-Door Ice

XYZ Corporation
Model: ABC-L
Capacity: 23 Cubic Feet

Estimated Yearly Operation Cost

\$58

**Blue EnergyGuide Compares Only to Other
Models with Blue EnergyGuides**
(due to new U.S. Government requirements)

545 kWh

Estimated Yearly Electricity Use

Your cost will depend on your utility rates and use.

- Estimated operating cost only compares models of similar capacity with automatic defrost, side-mounted freezer, and through-the-door ice.
- Estimated operating cost based on a 2007 national average electricity cost of 10.65 cents per kWh.
- For more information, visit www.ftc.gov/appliances

