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")

AGENCY: Federal Trade Commission.

ACTION: Final rule.

SUMMARY: The Federal Trade Commission ("Commission") amends its Appliance Labeling Rule ("Rule") by publishing new ranges of comparability to be used on required labels for compact and standard-sized clothes washers. The Commission is also making several technical corrections to language in the Rule related to clothes washers and dishwashers.

EFFECTIVE DATE: The amendments announced in this document will become effective on April 27, 2005.


SUPPLEMENTARY INFORMATION: The Rule was issued by the Commission in 1979, 44 FR 66466 (Nov. 19, 1979), in response to a directive in the Energy Policy and Conservation Act of 1975 ("EPCA"). The Rule covers several categories of major household appliances including clothes washers.

I. Background

The Rule requires manufacturers of all covered appliances to disclose specific energy consumption or efficiency information (derived from the DOE test procedures) at the point of sale in the form of an "EnergyGuide" label and in catalogs. The Rule requires manufacturers to include, on labels and fact sheets, an energy consumption or efficiency figure and a "range of comparability." This range shows the highest and lowest energy consumption or efficiencies for all comparable appliance models so consumers can compare the energy consumption or efficiency of other models (perhaps competing brands) similar to the labeled model. The Rule also requires manufacturers to include, on labels for some products, a secondary energy usage disclosure in the form of an estimated annual operating cost based on a specified DOE national average cost for the fuel the appliance uses.

Section 305.8(b) of the Rule requires manufacturers, after filing an initial report, to report certain information annually to the Commission by specified dates for each product type. These reports, which assist the Commission in preparing the ranges of comparability, contain the estimated annual energy consumption or energy efficiency ratings for the appliances derived from tests performed pursuant to the DOE test procedures. Because manufacturers regularly add new models to their lines, improve existing models, and drop others, the data base from which the ranges of comparability are calculated is constantly changing.

To keep the required information on labels consistent with these changes, the Commission will publish new ranges if an analysis of the new information indicates that the upper or lower limits of the ranges have changed by more than 15%. Otherwise, the Commission will publish a statement that the prior ranges remain in effect for the next year.

II. 2004 Clothes Washer Ranges

The Commission has analyzed the 2004 data submissions for clothes washers. The data submissions show a significant change in the range of comparability scale for both compact and standard-size clothes washers. Accordingly, the Commission is publishing new ranges of comparability for clothes washers in Appendix F1 and Appendix F2 of the Rule.

In addition to using these new ranges, manufacturers of clothes washers must now base the disclosures of estimated annual operating cost required at the bottom of EnergyGuide labels for clothes washers on the 2004 Representative Average Unit Costs of Energy for electricity (8.60 cents per kiloWatt-hour) and natural gas (91.0 cents per therm) that were published by DOE on January 27, 2004 (69 FR 3907) and by the Commission on April 30, 2004 (69 FR 23650). The new ranges will become effective April 27, 2005. Manufacturers may begin using the new ranges before that date.

The Commission is also making a minor correction to the capacity designations in Appendices F1 and F2.

Footnotes:
1 42 U.S.C. 6294. The statute also requires the Department of Energy ("DOE") to develop test procedures that measure how much energy the appliances use, and to determine the representative average cost a consumer pays for the different types of energy available.
2 Reports for clothes washers are due October 1.
3 In 2003, the Commission published amendments to the clothes washer label to require advisory language related to the new test procedure on labels for all models produced beginning on January 1, 2004 (see 68 FR 36458 (June 18, 2003)). The data submitted to FTC this year reflects the results of the new test procedure (10 CFR Part 430, Subpt. B, App. J).
The Rule currently indicates that a standard model has a tub capacity of 1.6 cu. ft. or 13 gallons of water or more. Although the 1.6 cu. ft. figure accurately reflects DOE requirements (see 10 CFR part 430, subpart B, App. J), the reference to 13 gallons reflects an incorrect conversion of cubic feet to gallons. In addition, this reference to gallons is irrelevant for labeling purposes (see 16 CFR 305.7(g)) and may cause confusion for manufacturers.

Accordingly, the Commission is amending Appendices F1 and F2 to eliminate the reference to gallons. The Commission is also updating the language in section 305.7(g) to reflect the new DOE test procedure at 10 CFR part 430 subpart B, App. J1 and to eliminate the irrelevant reference to gallons.

III. Minor Correction to Sample Dishwasher Label

The Commission is also amending Sample Label 4 in Appendix L to remove language that was inadvertently included in amendments issued on September 9, 2004. A portion of the explanatory language on the sample label incorrectly read: “Based on four wash loads a week using the normal cycle and a 2004 U.S. Government national average cost of 8.60¢ per kWh for electricity and 91.0¢ per therm for natural gas.” The correct statement as required by section 305.11(a)(5)(H)(2) of the Rule is: “Based on four wash loads a week and a 2004 U.S. Government national average cost of 8.60¢ per kWh for electricity and 91.0¢ per therm for natural gas.”

IV. Administrative Procedure Act

The amendments published in this notice involve routine, technical or minor corrective changes to the labeling requirements in the Rule. These technical amendments merely provide a routine change to the range and cost information required on EnergyGuide labels. Thus, the amendments will not have a “significant economic impact on a substantial number of small entities.” 5 U.S.C. 605. The Commission has concluded, therefore, that a regulatory flexibility analysis is not necessary, and certifies, under Section 605 of the Regulatory Flexibility Act (5 U.S.C. 605(b)), that the amendments announced today will not have a significant economic impact on a substantial number of small entities.

VI. Paperwork Reduction Act

In a June 13, 1988 notice (53 FR 22106), the Commission stated that the Rule contains disclosure and reporting requirements that constitute “information collection requirements” as defined by 5 CFR 1320.7(c), the regulation that implements the Paperwork Reduction Act.5 The Commission noted that the Rule had been reviewed and approved in 1984 by the Office of Management and Budget (“OMB”) and assigned OMB Control No. 3094–0068. OMB has extended its approval for its recordkeeping and reporting requirements until December 31, 2007. The amendments now being adopted do not change the substance or frequency of the recordkeeping, disclosure, or reporting requirements and, therefore, do not require further OMB clearance.

List of Subjects in 16 CFR Part 305

Advertising, Energy conservation, Household appliances, Labeling, Reporting and recordkeeping requirements.

Accordingly, 16 CFR part 305 is amended as follows:

PART 305—[AMENDED]

1. The authority citation for part 305 continues to read as follows:

Authority: 42 U.S.C. 6294.

2. In §305.7, paragraph (g) is revised to read as follows:

§305.7 Determinations of capacity.

(g) Clothes washers. The capacity shall be the tub capacity as determined according to appendix J1 to 10 CFR part 430, subpart B, in the terms “standard” or “compact” as defined in appendix J1.

3. Appendix F1 to part 305 is revised to read as follows:

Appendix F1 to Part 305—Standard Clothes Washers

Range Information

“Standard” includes all household clothes washers with a tub capacity of 1.6 cu. ft. or more.

<table>
<thead>
<tr>
<th>Capacity</th>
<th>Range of estimated annual energy consumption (kWh/yr.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard</td>
<td>Low 113 High 680</td>
</tr>
</tbody>
</table>

Cost Information

When the above range of comparability is used on EnergyGuide labels for standard clothes washers, the estimated annual operating cost disclosure appearing in the box at the bottom of the labels must be derived using the 2004 Representative Average Unit Costs for electricity (8.60¢ per kiloWatt-hour) and natural gas (91.0¢ per therm), and the text below the box must identify the costs as such.

4. Appendix F2 to part 305 is revised to read as follows:

Appendix F2 to Part 305—Compact Clothes Washers

Range Information

“Compact” includes all household clothes washers with a tub capacity of less than 1.6 cu. ft.

<table>
<thead>
<tr>
<th>Capacity</th>
<th>Range of estimated annual energy consumption (kWh/yr.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compact</td>
<td>Low 125 High 223</td>
</tr>
</tbody>
</table>

Cost Information

When the above range of comparability is used on EnergyGuide labels for compact clothes washers, the estimated annual operating cost disclosure appearing in the box at the bottom of the labels must be derived using the 2004 Representative Average Unit Costs for electricity (8.60¢ per kiloWatt-hour) and natural gas (91.0¢ per therm), and the text below the box must identify the costs as such.

5. Appendix L to part 305 is amended by revising Prototype Label 2, Sample Label 3, and Sample Label 4 to read as follows:

Appendix L to Part 305—Sample Labels

* * * * *


This model has been tested using the 2004 test procedure. Compare only with models displaying this statement.

ENERGYGUIDE

Clothes Washer
Capacity: Standard

Compare the energy use of this clothes washer only with other models tested using the 2004 test procedure.

This Model Uses
453 kWh/year

Energy use (kWh/year) range of all similar models

Uses Least
Energy
113

Uses Most
Energy
680

kWh/year (kilowatt-hours per year) is a measure of energy (electricity) use. Your utility company uses it to compute your bill. Only standard size clothes washers are used in this scale.

Clothes washers using more energy cost more to operate. This model's estimated yearly operating cost is:

$39 when used with an electric water heater

$18 when used with a natural gas water heater

Based on eight loads of clothes a week and a 2004 U.S. Government national average cost of 8.60¢ per kWh for electricity and 91.0¢ per therm for natural gas. Your actual operating cost will vary depending on your local utility rates and your use of the product.


Prototype Label 2
This model has been tested using the 2004 test procedure. Compare only with models displaying this statement.

Based on standard U.S. Government tests

ENERGYGUIDE

Clothes Washer
Capacity: Standard

XYZ Corporation
Model(s) Mr328, XL12, NAA83

Compare the energy use of this clothes washer only with other models tested using the 2004 test procedure.

<table>
<thead>
<tr>
<th>Uses Least Energy</th>
<th>Uses Most Energy</th>
</tr>
</thead>
<tbody>
<tr>
<td>113 kWh/year</td>
<td>680 kWh/year</td>
</tr>
</tbody>
</table>

kWh/year (kilowatt-hours per year) is a measure of energy (electricity) use. Your utility company uses it to compute your bill. Only standard size clothes washers are used in this scale.

Clothes washers using more energy cost more to operate. This model's estimated yearly operating cost is:

- $39 when used with an electric water heater
- $18 when used with a natural gas water heater

Based on eight loads of clothes a week and a 2004 U.S. Government national average cost of 8.6c per kWh for electricity and $1.0c per therm for natural gas. Your actual operating cost will vary depending on your local utility rates and your use of the product.

Based on standard U.S. Government tests

ENERGYGUIDE

Dishwasher
Capacity: Standard

XYZ Corporation
Model(s) MR328, XI12, NAA83

Compare the Energy Use of this Dishwasher with Others Before You Buy.

This Model Uses
500kWh/yr/year

Energy use (kWh/year) range of all similar models

Uses Least Energy
194

Uses Most Energy
531

kWh/yr (kilowatt-hours per year) is a measure of energy (electricity) use. Your utility company uses it to compute your bill. Only standard size dishwashers are used in this scale.

Dishwashers using more energy cost more to operate.
This model's estimated yearly operating cost is:

$43 When used with an electric water heater
$31 When used with a natural gas water heater

Based on four wash loads a week and a 2004 U.S. Government national average cost of 8.60¢ per kWh for electricity and 91.0¢ per therm for natural gas. Your actual operating cost will vary depending on your local utility rates and your use of the product.


Sample Label 4

By direction of the Commission.

Donald S. Clark,
Secretary.

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