



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

Re: "Appliance Labeling Rule"

RIN: 3084-AB15

Dear Mr. Newsome:

Thank you for the opportunity to comment on the recently released Notice of Proposed Rulemaking (NOPR) for Consumer Electronics Labeling. While we support many of the positions included in the proposal, we strongly encourage the Federal Trade Commission (FTC) to consider a number of issues as a means of strengthening the effectiveness of its final ruling.

Northeast Energy Efficiency Partnerships (NEEP) is a regional nonprofit organization founded in 1996 whose mission is to promote the efficient use of energy in homes, buildings, and industry in New England, New York, and the Mid-Atlantic states through regionally coordinated programs and policies that increase the use of energy efficient products, services and practices, and help achieve a cleaner environment and a more reliable and affordable energy system.

First of all, the Commission's effort to adopt EnergyGuide labeling for a series of consumer electronic products should be commended. This new effort will help provide consumers with important information about the operating efficiency of certain products, enabling them to make more informed, more energy conscious, purchasing decisions. We expect these efforts culminate in a final rule that makes sense to consumers, industry actors and the FTC.

While we are submitting this set of comments separately, we would like to express our explicit support for the comments submitted by both Natural Resources Defense Council (NRDC) and the Consortium for Energy Efficiency (CEE), respectively. In the instances that a particular topic is addressed in one letter and not the other, we support the positions made by the group raising the issue.

Electronic Labeling

NEEP would like to respond to the suggestions made by Bill Belt of the Consumer Electronics Association and Robert Rodriguez of Sony during the public hearing that the EnergyGuide label could potentially be presented electronically, in place of a physical label. This label¹, they suggested, would appear on the television screen while the television was in "retail" mode. According to Mr. Belt's testimony:

"One thing that is not in the proposal that I think we should consider, and we will bring up in our written comments, is some form of electronic labeling. One thing that we know is that when these TVs are in the retail environment, they're always basically and presumably set to the retail mode, and it may be - this may take the form of something like when the TV is a retail mode, there be like a floating box on it or something on there that looks exactly like

¹ A full description of the label can be found in the public hearing transcripts on page 57 line 1 through page 57 line 16 and again on page 139 line 9 through page 140 line 4.



that. So you don't have to worry about a cling label. We don't have to worry about anything falling off. We don't have to worry about any complication for how to get there since presumably these TVs are always in retail mode when they're in the retail environment, so I don't want to sort of preclude the idea of an electronic label."

Additionally from Mr. Rodriguez;

"Us at Sony and many other manufacturers, as Bill has said, from CES, we're moving around from bezels to a much slimmer design, and we're a little worried that depending on the type of adhesive or the customer trying to take the label off might be causing some harm to the face of the television set. With electronic labeling, we can ease some of that and also move towards doing it quite quickly, within the six month proposal if that does happen, so that it can be done either cycling to a predetermined time or maybe even by holding an info or display button, which pretty much every remote control has, to bring that label up or off, if the retailer wants to do a demonstration or to take the label off for a certain period of time."

Knowing that the Australian government had recently developed energy use labeling for televisions, NEEP worked with other organizations to contact representatives in Australia for their insight into this potential alternative. According to these representatives (see below for contact information) the idea of screen based displays was considered, however, due to a number of findings that are listed below, it was not assessed as being a serious option for mandatory labeling.

- "Firstly it would require all televisions to have a retail display mode, something that was deemed to be more difficult than requiring physical labeling."
- "Further, even if all manufacturers were able to meet the requirements of a mandatory retail display mode, some manufacturers expressed concerns about the potential for screen burn or crystal freeze effects on the screens if the same image was repeatedly displayed in the same format over long periods of time. Of course one response to that was to have the images displayed for relatively short periods of time, an outcome that was counter to the objective of the program to inform consumers."
- "Finally there was no guarantee that sales staff would not simply turn off retail mode to display a range of other signals and programs that they decide make their retail environment more attractive."

The Australian review of this issue illuminates a strong case against this form of labeling. We urge the Commission to reject this mechanism as a product-wide or optional alternative to physical labeling. According to these sources, the Australian program has been very effective in using physical labels that are attached via either a swing tag, or adhesively to the edge of equipment, or using a pop up type tag at the top of the equipment. Market research in Australia shows that consumers, having made a decision to buy a particular type of appliance or piece of equipment, use the energy rating labels as a primary source of information in the purchasing process when comparing products.

If you have any further questions or need any further information on the process of establishing the TV energy rating label requirements in Australia feel free to contact these resources.

- Michael McCann (michael.mccann@thinkwell.com.au), Thinkwell Australia
- Tim Farrell (Tim.Farrell@environment.gov.au), Australia's Department of the Environment, Water, Heritage and the Arts
- Keith Jones (keithj@digitalcenergy.com.au), Digital CEnergy



Additional Issues

In addition to this information regarding electronic labeling, NEEP would like to reinforce a number of issues raised in the comments submitted by NRDC.

- Consider making the “comparative information” scale a more prominent section on the label. This may be accomplished by downscaling the assumptions section.
- Consider scaling up the size of labels as the size of the television increases. The same sized label may be less effective on a 70” television as it is for a 26” television.
- In calculating the comparative information scale, the Commission suggests using 10 inch bins. These bins do not adequately reflect the size grouping of the television market. See NRDC’s comments for a recommendation on a more appropriate binning scheme.
- Manufacturers and retailer should be required to include an electronic version of the Energy Guide label on their websites.
- While this rulemaking will finalize EnergyGuide requirements for televisions, we urge the Commission to move forward with subsequent labeling rulemakings to develop labels for other consumer electronic products mentioned. We suggest a logical next product would be computer monitors (displays) as they relate very closely to televisions. Based on energy usage, set tops boxes and computers should follow monitors, with video game consoles being another product that would benefit from an EnergyGuide Labeling system.

At this point in the rulemaking, we would like to communicate our strong hope that the Commission earnestly consider the issues raised here. With a careful consideration of these issues, we believe that the FTC will be in better position to develop an effective final rule. Thank you for your consideration.

Sincerely,

Susan E. Coakley, Executive Director