



August 18, 2014

Federal Trade Commission
Office of the Secretary
600 Pennsylvania Avenue, NW.,
Suite CC-5610 (Annex U)
Washington, DC 20580

Re: Goodman Comments – Supplementary Notice of Proposed Rulemaking on Energy Labeling Rule Regulatory Review (16 CFR Part 305) (Project No. R611004).

Dear FTC Staff:

These comments are submitted by Goodman Global, Inc. (“Goodman”) in response to the Federal Trade Commission’s (FTC) supplemental notice of proposed rulemaking (SNOPR) that was published in the Federal Register, 79 Fed. Reg. 34,642, on June 18, 2014. The document pertains to FTC’s proposed changes on its Energy Labeling Rule within 16 CFR Part 305.

Goodman manufactures residential and light commercial heating and cooling equipment. Our products are sold and installed by contractors in every state within the United States. Goodman is a member of Daikin group, the largest HVAC manufacturer in the world. We appreciate the opportunity to comment on the specific issues raised within this SNOPR. Our comments are provided below.

Section 1 – Hang Tags

We believe that the hang tag option proposed in Section 305.11(d)(2) should be extended to section 305.12 as well. Having the adhesive and hang tag options would give HVAC manufacturers more flexibility in terms of meeting FTC’s regulations. Section 305.12(e)(2) requires that manufacturers affix labels to covered product packages or the products themselves in positions that allow persons examining the packaged products to read the labels easily; we believe that having the option of affixing the hang tag to the interior of the product would enable us to simultaneously meet the requirements specified within sections 305.12(e)(1) and 305.12(e)(2), thereby substantially alleviating our labeling burden.

Section 2 – Online Label Database

We agree with FTC’s assertion that a centralized public database with easy access to labels would benefit consumers, and believe that our entire industry shares the same position. In mid-2013, the Air-Conditioning, Heating, and Refrigeration Institute (AHRI) added a feature within its

Directory of Certified Product Performance, www.ahridirectory.org, to display EnergyGuide labels for all covered residential products. We believe that the addition of this functionality within an existing public database already meets FTC's goals of making the EnergyGuide labels readily accessible online to consumers.

We are, however, concerned that the proposed regulatory changes to require manufacturers to submit URL links for covered products labels to the U.S. Department of Energy (DOE) Compliance Certification Management System (CCMS) database would be unduly onerous for manufacturers. Several HVAC manufacturers have already taken the necessary steps to meet FTC's requirements of displaying EnergyGuide labels online. We currently rely on AHRI to generate the online EnergyGuide labels for our products based on the data that we submit to AHRI on our products. Generating URL links for nearly 75,000 models across the following product types would be a significant undertaking for our organization: residential central air conditioners, residential central heat pumps and residential furnaces. We recommend that FTC rely on the EnergyGuide labels generated by AHRI rather than requiring manufacturers to unnecessarily undergo another iteration of generating the same labels. AHRI currently uploads data on behalf of its certification participants to DOE's CCMS database, so we see no reason as to why AHRI would not be able to provide the same service with respect to generating URL links for EnergyGuide labels and submitting that information to DOE.

Section 3 – Updates to Heating and Cooling Equipment Labels

We fully support FTC's proposals to:

- Clarify at the top of page 34653 of the SNOPR that manufacturers may print multiple model numbers on the EnergyGuide labels for models sharing the same efficiency ratings.
- Eliminate capacity information on EnergyGuide labels for heating and cooling equipment.
 - We request that the FTC revise prototype labels 3 and 4, and sample labels 7A, 7B, and 8A within Appendix L to Subpart 305 as soon as possible in order to clarify that those labels do not require capacity information. FTC should also issue the corresponding label templates within the following website as soon as possible, so that manufacturers have sufficient time to run the revised labels in production prior to January 1, 2015:
<http://www.business.ftc.gov/documents/energyguide-labels-template>.
FTC should also consider issuing a sample label (and a corresponding label template) for weatherized furnaces in Appendix L to Subpart 305.
- Make the revised labels effective on January 1, 2015 for gas furnaces in order to coincide with the new efficiency standards for weatherized furnaces.
- Eliminate existing Rule language related to regional furnace standards until DOE issues revised standards in the future.

Section 4 – Label for Single Package Heating and Cooling Products

This comment raises a new issue. Many weatherized residential furnaces are manufactured and sold as part of a combined air conditioning and heating product, often referred to as a “single package unit.” These single package units typically consist of an air conditioner and gas furnace in a single cabinet, while some single package units are heat pumps combined with a gas furnace. In either case, when both the cooling component and the gas furnace are residential products, as defined by DOE regulations, the single package unit must bear the appropriate individual EnergyGuide labels. Recognizing that this product is a single unit, we request that the Energy Labeling Rule be amended to allow manufacturers to combine the gas furnace information and the air conditioner or heat pump information, as applicable, into a single EnergyGuide label. This concept already exists for the residential heat pump label which provides both cooling efficiency and heating efficiency rating information. The basic structure of that label could be applied to the single package unit that has an air conditioner or heat pump and gas furnace.

Section 5 – Concluding Remarks

Goodman appreciates the opportunity to provide these comments. If you have any questions regarding this submission, please do not hesitate to contact me.

Sincerely,

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