



August 18, 2014

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

**Subject: Supplementary Notice of Proposed Rulemaking on Energy Labeling Rule
Regulatory Review (16 CFR Part 305) (Project No. R611004)**

Dear Commission:

**I. Any New FTC Action, And The Timing of Those Regulations Must Be Coordinated
With Pending Department of Energy (DOE) Efficiency Requirements**

The DOE is currently conducting a rulemaking on multiple new efficiency requirements for ceiling fans and ceiling fan light kits.

The DOE's preliminary proposals for new test procedures and standards are past due, however we understand they will be released any day. A public hearing is expected to be set about 45 days following their release.

Industry Recommendation:

- The ceiling fan industry strongly urges the FTC to become fully aware of DOE's schedule for new efficiency requirements and coordinate any new labeling requirements with DOE's final requirements and the final dates for implementation by industry.

We urge this action by the FTC to preclude any duplication of time, energy and expensive costs to the industry.

**II. The FTC Proposed Labeling Requirements Should Be Precluded From Becoming
Overly Burdensome To The Ceiling Fan Industry**

Cost

The ceiling fan industry appreciates the FTC's interest and concern that any new regulation not be overly burdensome.

New labeling requirements could become a very significant financial burden to the industry because:

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- a. Per the DOE's Compliance Certification Database for Ceiling Fans¹, the ceiling fan industry manufactures over 8,000 models, all of which can be and are fitted with hundreds of blade combinations. Requiring changes to all such fittings at once would be both challenging and a significant financial burden.
- b. The cost of the proposed regulation is also measured in time and the development cost of every piece of literature in print and online would be impacted.

Industry Recommendations:

- New labeling need not be overly burdensome—yet can still meet the FTC's needs/objectives. Instead of the FTC proposed 2 year compliance period:
 - a. All new ceiling fan products will comply with new labeling rules within 12 months of the final rule publication. Thereafter, all new products introduced to the market would include the new labels rather than have corrected labeling delayed to the final date allowed.
 - b. Current products should be “grandfathered in” for 5 years before new labels are required.
 - The industry points out that the approximate life cycle of most models is 5 years or less and having this extended compliance period will greatly reduce the expensive financial (and time) burden on the industry.

Summary:

The industry's proposal to use the new FTC labeling system on all new products within 12 months of rule publication will provide for a larger percentage of products with new labels significantly faster than the proposed mandated final date. This strategy will insure that the industry will not have to raise consumer prices to convert labels for those models currently being sold.

III. The Label Content And Size Should Match Consumer Use Trends And Provide The Consumer With Clear And Accurate Data Without Placing Undue Burden On The Ceiling Fan Industry

A. Fan Speed

The FTC proposal calls for labels to report annual cost with fans being operated on High for 6 hours per day at a rate of 12¢ per KWH.

Industry Input:

- The most recent data on consumer use of ceiling fans is concentrated in a Spring 2013 study conducted by the professional research company, AcuPOLL, that was sponsored

¹ “Compliance Certification Database.” EERE- Building Technologies- Regulations & Compliance- Compliance Certification Management System. U.S. Department of Energy. <http://www.regulations.doe.gov/certification-data/CCMS-41431692801.html>

by the industry to respond to DOE's current review of ceiling fans and ceiling fan light kit efficiency.

- The AcuPOLL research reports that:
 - Ceiling fans are used by consumers at the three speed settings as follows:
 - High- 20%
 - Medium- 50%
 - Low- 30%
- According to the above data, an FTC label reporting only "High- speed" performance information would give consumers grossly misleading information and the operational costs listed could be significantly higher than actual consumer expenses. That would place an unfair and damaging cost perception on our industry.

Industry Recommendation:

- Based on the various consumer usage information we have received, we believe the use of three speeds, Low, Medium and High would provide consumers the best information.
 - We vigorously oppose requiring only the High setting cost data being reported on labels.

B. Length of Time To Measure Annual Ceiling Fan Cost

The FTC proposes that the measurement of time be 6 hours per day multiplied by 365 days.

Industry Recommendation:

- We disagree with using an annualized cost method because of the wide range of time periods in which consumers use ceiling fans. Ceiling Fans are used in various rooms in homes and offices where use differs by day and by season. Therefore, the industry recommends that the easiest measure of time/cost for consumers to understand would be per hour.
 - Alternatively, the industry would accept a per day measurement for the proposed 6 hour time frame.

C. Label Size

The size of the FTC proposed label is also a challenge. The industry points out that the size of ceiling fan boxes are significantly smaller than larger appliances such as refrigerators, stoves, etc. and thus the space available for labeling is limited.

Industry Recommendations:

- The industry recommends that the size of any new label stay as close as possible to the current label's foot print while allowing for growth only to accommodate the new text for Medium and Low speeds.

Close

- Thank you for the opportunity to respond with our recommendations.
- After FTC review of these recommendations, the fan industry requests the opportunity to meet, in person or via telephone with FTC representatives to discuss the above points, respond to FTC questions or provide points of clarification.

Sincerely,

Richard D. Upton, CCE
President and CEO

ALA CEILING FAN MANUFACTURERS INCLUDE THE FOLLOWING COMPANIES:

Canarm Ltd. | Casablanca Hunter Fan Company | Craftmade | Emerson Ceiling Fans |
Fanimation | Generation Brands- Feiss - Monte Carlo | Kendal Lighting Inc. | Kichler
Lighting | Matthews Fan Company & WPT Design | Maxim Lighting International | Minka
Group | Modern Fan Co. Inc. | Pacific Coast Lighting, Inc. | Progress Lighting, a Division
of Hubbell | Quorum International | Regency Ceiling Fans | Savoy House Lighting |
Vaxcel International | Westinghouse Lighting
King of Fans | Palm Coast

All have reviewed this letter and concur with the statements made.

The American Lighting Association (ALA) is a trade association with over 3,000 members which manufacture and sells lighting fixtures, lamps, components, controls and ceiling fans. The association's membership comprises manufacturers, manufacturer's representatives, retail lighting showrooms and lighting designers in the United States, Canada and the Caribbean.