

FEDERAL TRADE COMMISSION

16 CFR P 305 [RIN 3084 AB03

A L R

AGENC: Federal Trade Commission ("FTC" or "Commission").

ACTION: Notice of proposed rulemaking; request for public comment.

SUMMAR: Section 137 of the Energy Policy Act of 2005 (Pub. L. 109–58) requires the Commission to conduct a rulemaking to examine the effectiveness of current energy efficiency labeling requirements for consumer products issued pursuant to the Energy Policy and Conservation Act. The Commission is seeking comments on proposed amendments to the existing labeling requirements.

DATES: Written comments must be received on or before April 16, 2007. **ADDRESSES:** Interested parties are invited to submit written comments. Comments should refer to "Appliance Labeling Rule Amendments, R511994" to facilitate the organization of comments. A comment filed in paper form should include this reference both in the text and on the envelope, and should be mailed or delivered, with two complete copies, to the following address: Federal Trade Commission/ Office of the Secretary, Room H-135 (Annex A), 600 Pennsylvania Avenue, NW., Washington, DC 20580. Comments containing confidential material must be filed in paper form, and the first page of the document must be clearly labeled "Confidential" and must comply with Commission Rule 4.9(c). The FTC is requesting that any comment filed in paper form be sent by courier or overnight service, if possible, because postal mail in the Washington area and at the Commission is subject to delay due to heightened security precautions.

Comments filed in electronic form should be submitted by following the instructions on the web-based form at

:// . To ensure that the
Commission considers an electronic
comment, you must file it on that webbased form. You also may visit ://
. I . to read this
proposed Rule, and may file an
electronic comment through that Web

site. The Commission will consider all comments that regulations.gov forwards to it.

Comments on any proposed filing, recordkeeping, or disclosure requirements that are subject to paperwork burden review under the Paperwork Reduction Act should be submitted to: Office of Information and Regulatory Affairs, Office of Management and Budget, Attention: Desk Officer for Federal Trade Commission. Comments should be submitted via facsimile to (202) 395–6974 because U.S. postal mail at the Office of Management and Budget ("OMB") is subject to lengthy delays due to heightened security precautions.

The FTC Act and other laws that the Commission administers permit the collection of public comments to consider and use in this proceeding as appropriate. The Commission will

¹Any request for confidential treatment, including the factual and legal basis for the request, must accompany the comment and must identify the specific portions of the comment to be withheld from the public record. The request will be granted or denied by the Commission's General Counsel, consistent with applicable law and the public interest. See Commission Rule 4.9(c), 16 CFR 4.9(c).

² 42 U.S.C. 6291

³ 42 U.S.C. 6294. For most appliance products, the Commission must prescribe labeling rules unless it determines that labeling is not technologically or economically feasible (42 U.S.C. 6294(a)(1)). The statute requires labels for central air conditioners, heat pumps, furnaces, and clothes washers unless the Commission finds that labeling is not technologically or economically feasible or is not likely to assist consumers in making purchasing decisions (42 U.S.C. 6294(a)(2)(A)). Pursuant to § 6294(a)(1), the Commission previously

On March 15, 2006, the Commission announced its plans to conduct consumer research on various label designs to examine the effectiveness of the current energy labeling requirements and to obtain information about alternatives (71 FR 13398). After the Workshop, the Commission published an additional notice containing details about its planned consumer research project, including drafts of the appliance labels that would be used in the project. (71 FR 36088). The Commission received eight comments in response to that June 23, 2006 notice. 11

Based on all the comments, the Workshop, and consumer research conducted by the FTC staff (see below), we now propose various amendments to the Appliance Labeling Rule. We invite comments on these proposed changes.

V. FTC Consumer Research

The FTC staff conducted its consumer research in October 2006. The detailed results of the study and associated documents can be found at . The study results are also discussed in sections VII.A., VII.B., and VII.D. of this Notice. The FTC staff designed the research to provide information regarding consumer comprehension of various label designs and the perceived usefulness of various types of information related to energy use, energy efficiency, and operating costs. In drafting the changes proposed in this Notice, the FTC considered its consumer research results, the facts submitted in comments, and the broad range of policy and legal issues raised by commenters during the rulemaking

In designing the consumer research, the FTC staff began with the findings and strategies of prior research and the comments received during the rulemaking proceeding. In 2002, the American Council for an Energy Efficient Environment ("ACEEE") examined the efficacy of the EnergyGuide label as well as alternative formats and graphical elements. 12 In

addition, in response to the Commission's 2005 ANPR, the Association of Home Appliance Manufacturers ("AHAM") conducted research that also examined the current label and alternatives. 13 Similar to ACEEE's project, the FTC's research included questions designed to understand how well consumers comprehend information presented in different labeling formats. Like the research conducted by AHAM, the FTC's study involved an Internet panel. Although the FTC considered this prior work in developing its own research, the study addressed several issues not raised in the previous studies and tested a label design not addressed in detail by ACEEE or AHAM.

The FTC contracted with Harris Interactive, a consumer research firm that has substantial experience assessing consumer communications using the Internet and other alternative protocols. The study's sample universe was made up of members of the contractor's Internet panel. The panel consists of more than four million individuals recruited through a variety of convenience sampling procedures, rather than true probability sampling techniques. The sample for this research is therefore not nationally representative in the classic sense. However, the The sthele111 Tnsumeroce, e probabi-

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¹¹ Comments submitted in response to the June notice are available online at: :// . . . /

¹²Thorne, Jennifer and Egan, Christine, "An Evaluation of the Federal Trade Commission's EnergyGuide Label: Final Report and Recommendations," ACEEE, August 2002. The

report is available online at ://l . / / l 021

 $^{^{13}}$ AHAM submitted its research results as part of its comments on the ANPR. See AHAM (#519870–00016) (available at :// . . / / . . / /519870_00016.).

¹⁴The thresholds used to assign stars under the categorical system used in the study were published for comment at 71 FR 36088, 36091 (June 23, 2006).

¹⁵ The overall comparability range on the labels for this condition was, therefore, much greater than the other conditions, although the energy efficiency and cost range among the four products remained constant.

more energy efficient products." (Payne #519870–00024). As ACEEE (#519870–00021) observed, amendments to EPCA set forth in the Energy Policy Act of 2005 direct the FTC to initiate a rulemaking to consider the effectiveness of the appliance labeling program "in assisting consumers in making purchasing decisions and improving energy efficiency."

: In promulgating the Appliance Labeling Rule in 1979 (44 FR 66466 (Nov. 19, 1979)), the Commission provided the following statement: "The primary purpose of the Commission's Rule is to encourage consumers to comparison-shop for energy-efficient household appliances. By mandating a uniform disclosure scheme for energy consumption information, the Rule will permit consumers to compare the energy efficiency of competing appliances and to weigh this attribute against other product features in making their purchasing decisions. If the labeling program works as expected, the availability of this new information should enhance consumer demand for appliances that save energy. In turn, competition should be generated among manufacturers to meet this demand by producing more energy-efficient appliances." The Commission continues to believe that this statement accurately describes the role of the FTC's energy labeling program. Specifically, the label serves two important purposes. First, the detailed operating cost and energy consumption information on the label allow consumers to compare the total cost of competing models. Second, the label aids consumers who are seeking to buy high-efficiency products that reduce energy use and thus help the environment.

In the Commission's consumer research, several questions addressed the effectiveness of the label. These data suggest that consumers actually find the label much more useful than has been suggested by past research. Overall, the results indicate that the label exhibits a high level of recognition and usefulness as reported by the study's participants. Over 85% of recent appliance purchasers who visited a retail showroom recalled seeing a label with energy characteristics.21 Of those respondents, 58% correctly recalled that the label was yellow with black letters.²² Fifty-nine percent of

respondents who recalled seeing a label scored the usefulness of the label 23 at a seven or higher on a scale of zero to ten. 24

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: The ANPR sought comments on whether the Commission should change the current design and format of the EnergyGuide label. During this proceeding, the Commission has considered several different label designs. In particular, we have sought comments on whether label information should be presented in the form of a "continuous" bar graph or a "categorical" design. Labels using a continuous design, such as the current EnergyGuide label, contain a bar graph, or similar item, that displays information on a continuous scale without discrete ranks or categories. Labels under a categorical approach employ discrete categories, using a step ranking system such as stars or letters to indicate relative energy use. The Commission has also considered whether to adopt a continuous-style label that displays operating costs as the primary energy efficiency descriptor.²⁵

A key feature of the current continuous-style label is that the range or scale is based on data for models available on the market. One end of the scale depicts the energy use of the most efficient model on the market while the other identifies the least efficient. For example, the bar graph on a label for a typical refrigerator category may have 539 kWh/yr (kilowatt-hours per year) on one end and 698 kWh/yr on the other.

The ratings on a categorical label (e.g., stars or letters) generally depict the model **indifferent** uumo coceears.tees or*(nt)Tjurs t the

y descwas.

²¹ Question Q435 reads: "Do you recall seeing a label describing energy characteristics attached to the appliance?"

²² Question Q440 asked qualified respondents: "To the best of your knowledge, was the color of the energy label: (1) White with green letters, (2) Blue with white letters, (3) Yellow with black letters, (4) Red with black letters, or (5) Not sure?"

²³ Question Q445 asked qualified respondents: "Using a scale from 0 to 10, where 0 is "not at all useful" and 10 is "extremely useful," how useful was the energy label in your most recent [insert relevant appliance] purchase decision?"

²⁴ It is possible that some respondents actually recalled seeing ENERGY STAR information instead of the EnergyGuide label. We note, however, that only 8% of respondents recalled that the label they saw in the showroom was blue and white (colors often used for the ENERGY STAR logo). Moreover, the ENERGY STAR logo does not display energy characteristics.

²⁵ As part of the Workshop, the FTC sought comment on an alternative label design that compared a model's energy efficiency to DOE minimum standards in the form of a percentage. See 71 FR 18023. Several workshop participants raised concerns that percentage information may be confusing to consumers, inadequately distinguish the energy efficiency of some products (such as water heaters), and create complications as DOE minimum standards change over time. Taking these comments into account, the June 2006 notice indicated that the FTC would not continue to consider such a design (71 FR at 36093).

²⁶ Thorne and Egan, supra note 12.

²⁷ AHAM, supra note 13.

consumers to understand and "most motivating." The categorical label also is useful for a wide range of consumers, including those with limited literacy, difficulty reading English, and discomfort with numerical concepts. Comments also suggested that the categorical label provides a greater incentive for manufacturers to produce high-efficiency products because of market benefits associated with having the highest energy rating. (Payne #519870-00024). Several commenters also noted that many other countries, including those in the European Union, employ a categorical labeling system. (Payne #519870-00024 and ACEEE #519870-00021). According to NRDC (#519870-00025), these labels have "been extremely effective communication tools and have successfully moved consumers to purchase more energy efficient and cost effective models.'

Other comments raised a variety of concerns about the categorical approach. These concerns fell into five basic categories. First, some commenters warned that consumers would interpret the label's categories (e.g., a five-star system) as indicia of non-energy related factors such as product quality or performance.28 In fact, according to some comments, categorical labels in some other countries are intended to convey performance attributes of the product beyond the limited energy disclosures intended by the EnergyGuide label. (Alliance Laundry Systems #519870-00008 and Whirlpool #522148-00005).

Second, several commenters cautioned that the categorical label would cause confusion related to the ENERGY STAR program.²⁹ For example, CEE (#519870-00018) raised concerns 'about the potential friction between a categorical label (that implicitly directs consumers toward more stars) and the ENERGY STAR label (that directs consumers to look for the mark on efficient products)." EPA (#519870-00007), which runs the ENERGY STAR program along with DOE, wrote that a categorical label "could undermine the natural synergies between the EnergyGuide education effort and the **ENERGY STAR program and prevent**

these programs from working effectively together to provide important yet different information to consumers."

Third, several commenters suggested that the categorical label would mislead consumers by inflating or understating the difference between appliances by using arbitrary cut-offs. (See, e.g., Whirlpool #519870–00013). ARI suggested that the label "would likely discourage incremental efficiency improvements unless the improvement is sufficient to qualify the product for the next star." (ARI #519870–00010). Fourth, some commenters believed

the categorical system would require the FTC to make subjective judgments about thresholds for the various categories. (Whirlpool #522148–00005 and AHAM #522148–00007). According to Whirlpool (#522148–00005mmen3cF9nmw(#(decid cather c(ARI #519870)T268F1 1 Tf7.7132

²⁸ See Whirlpool #522148–00005, Edison Electric Institute (EEI) #522148–00010, Gas Appliance Manufacturers Association (GAMA) #519870–00011, AHAM #519870–00016, and Air-Conditioning and Refrigeration Institute (ARI) #519870–00010. ACEEE's comments stated that its research found that a star label did not imply quality or other requirements beyond energy consumption. (ACEEE #519870–00021).

²⁹ See, Whirlpool #522148–00005, AHAM #519870–00016, EPA #519870–00007, and GAMA #519870–00011.

³⁰ See AHAM (#519870–00016 and #522148–00007), Payne (#519870–00024), Whirlpool #522148–00005, EEI #522148–00010, EPA #519870–00012, and GAMA #519870–00011. Fisher and Paykel (#522148–0002) provided information about the rating algorithm used in Austra lia and New Zealand for refrigerators.

consider improvements to the Canadian EnerGuide label.31 In general, NRCAN's work suggested that "the majority of people find the information on the EnerGuide labels useful to some extent in helping select the most energy efficient model appliance." Its research, though, suggests consumers generally find labels with both kWh/yr and operational cost more useful than labels with kWh/yr alone. NRCAN considered the use of operating costs on its label, but concluded that "the disparity of electricity costs across Canada could not provide comparable information in the same manner as the kWh/yr." In addition to considering operating costs, NRCAN explored the implementation of a categorical system, but found a starbased categorical label "did not test well with many consumers." According to NRCAN, consumers raised concerns about the significance of differences among the categories.

In addition to NRCAN's comments about its own research, several comments addressed the strengths and weaknesses of the ACEEE and AHAM research. Whirlpool (#519870-00013) raised concerns about ACEEE's mall intercept approach and also questioned the statistical significance of the results of a shopping experiment ACEEE conducted. AHAM (#519870-00016) raised concerns that the ACEEE study was "non-scientific" and results driven aimed at concluding that the "categorical-style label was the preference of consumers." ACEEE (#522148-00008) countered AHAM's critiques in detail, explaining, among other things, that throughout "the project, the research design was reviewed with numerous experts and found to be a strong and valid approach without bias towards any particular outcome." Furthermore, ACEEE voiced criticisms of AHAM's approach arguing that, contrary to AHAM's assertions, the study actually found "that the starsbased label best expresses energy efficiency and does not mislead consumers with regard to product quality, performance, and reliability." ACEEE also expressed concern that the AHAM study failed to test actual label comprehension, focusing instead on consumer preferences and self-reported ease of understanding.

Comments on ENERGY STAR and Alternative Label Designs

In 1992, the EPA introduced the voluntary ENERGY STAR program to promote energy-efficient products and thereby reduce greenhouse gas

emissions. ENERGY STAR first covered labeling for computers and monitors. In 1996, EPA partnered with the U.S. Department of Energy. The ENERGY STAR label is now on major appliances, office equipment, lighting, home electronics, and more. Recognizing the importance of this program for consumers, the Commission in 2000 issued an exemption to the Appliance Labeling Rule that allows manufacturers to include the ENERGY STAR logo on the EnergyGuide label for covered appliances. (65 FR 17554 (Apr. 3, 2000); see also 16 CFR 305.19(a)). The exemption requires manufacturers to print an explanatory tag line next to the logo that states "ENERGY STAR A symbol of energy efficiency." As part of EPACT 2005, Congress established a formal, statutory basis for the ENERGY STAR program. (See 42 U.S.C. 6294a)

Commenters raised several issues about the inclusion of ENERGY STAR information on the FTC's EnergyGuide label. Some expressed concern about the impact a categorical labeling system may have on the ENERGY STAR program, while others took issue with the current placement of the ENERGY STAR logo on the FTC label. As discussed above, EPA (#519870-00012) raised several concerns about the impact of the categorical label on its program. CEE (#519870-00018), which works extensively with utility companies on energy-efficiency programs, cautioned the FTC to avoid a course that could damage ENERGY STAR and warned of the "potential friction" between a categorical label and ENERGY STAR. AHĀM (#519870-00016) was more direct. According to that industry group, the adoption of a categorical label, with its identification of super-efficient categories, would create a "rival program to ENERGY STAR." The two programs service distinct purposes in AHAM's view. The FTC label assists consumers "in understanding the longterm cost implications of purchasing a particular product," while the ENERGY STAR program "has been specifically identified by the Congress to 'identify and promote energy-efficient products' for consumers."32

On the other hand, ACEEE's research found that consumers "easily distinguished the ENERGY STAR from the categorical rating scheme." In addition, ACEEE concluded that the two programs have a mutually reinforcing relationship because consumers recognize ENERGY STAR as an endorsement that the model has met specific standards, while the categorical rating "provides a comparison scale for

energy use among different models." According to another commenter involved in ACEEE's research, no "consumer comprehension issues were found when consumers were shown a categorical stars system combined with an ENERGY STAR logo." (Payne #519870–00024). This commenter, however, explained at the Workshop that "we probably need much more detailed research to understand the questions of how the Energy Guide label and the ENERGY STAR label interact." (Workshop Tr. at 101 (Payne)).

In addition to concerns about the impact of a categorical system on ENERGY STAR, commenters suggested improving the placement of the ENERGY STAR logo (or symbol) on the EnergyGuide label regardless of overall label design. Most commenters who addressed this issue suggested that the logo appear on the lower, right corner of the EnergyGuide label instead of above the comparability range, as currently required.33 NRCAN (#519870-00020)) explained that the bottom location "showcases" the logo and that manufacturers believe the location provides more prominence to the symbol. EPA (#519870-00007) suggested that the explanatory text required for the logo be shortened because the words "ENERGY STAR" have now been incorporated into the logo.

: The Commission has reviewed the concerns raised by the comments and the results of the FTC's own research. Based on this review, as discussed further below, we propose replacing the existing label design with one that features estimated annual operating costs as the primary disclosure. The proposed label's comparison range would disclose energy cost information in dollars per year. The label would continue to provide consumers with information about the product's energy use (in kWh/ year), but as a secondary disclosure. The Commission is also seeking comment on a variation of the cost label design that would provide a cost estimate over a period of years instead of annually.

The results of the FTC research yielded several general conclusions about the performance of the four label designs under consideration (i.e., the current energy use label, a modified version of the current energy use label, the categorical label, and the operating cost label). First, respondents performed well in the objective tasks of identifying and ranking operating costs (in dollars) and energy use (in kilowatt-hours) for

 $^{^{31}\,\}mbox{The Canadian EnergGuide label is similar to the U.S. EnergyGuide label.}$

³² Quoting section 131 of EPACT 2005.

 $^{^{33}\,\}mathrm{EPA}$ (#519870–00021), and NRCAN (#19870–00020).

³⁵ Respondents who viewed the modified current label without the ENERGY STAR (Cell 3) had significantly fewer correct responses to three out of four questions about energy use than the respondents who viewed the categorical label (Cell 5) or the operating cost label (Cell 7).

³⁶ The questionnaire included three ranking questions: Q615 (operating costs), Q660 (energy use), and Q640 (energy efficiency). For example, Q615 asked: "Please rank these refrigerators according to their typical yearly operating costs, starting with the most expensive to operate and then moving to the second most expensive to operate, and then the third most expensive to operate."

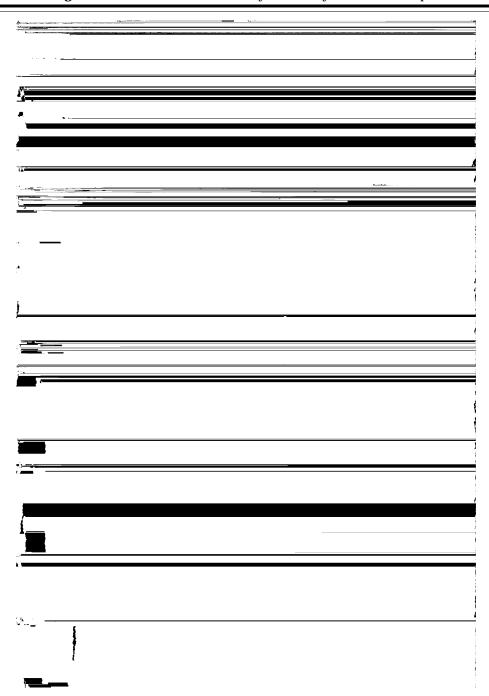
³⁴ These simple operating cost questions are Q520 "Based on this information can you tell how much it typically costs to operate this model for one year?" and Q522 "How much would it typically cost to operate this model for one year?" These energy use questions are Q521 "Based on this information, can you tell how much energy is typically required to operate this model for one year?" and Q525 "How much energy is typically required to operate this model for one year?"

⁴⁴ The specific results for the categorical label were: 81% Model L refrigerator, 77% Model K refrigerator, 83% Model L dishwasher, and 79% Model K dishwasher. The difference between the categorical label and each of the other labels is statistically significant at the 5% significance level in 12 out of 12 head-to-head comparisons.

⁴¹ The differences between the percentage of respondents viewing the categorical label who incorrectly identified ENERGY STAR models and the percentage of respondents viewing each of the other labels who incorrectly identified ENERGY STAR models is statistically significant at the 5% significance level (i.e., 95% confidence level). The results for refrigerators were similar: Cell 5 (13% for Model M and 16% for Model J) and Cell 7 (4% for Model M and 5% for Model J).

 $^{^{42}}$ For other label designs, the respondents were less likely to identify Model K as ENERGY STAR where there was no ENERGY STAR logo on the label (9% for the current label, 13% for the modified label, and 9% for the cost label). The difference between the categorical label and each of the other labels is statistically significant at the 5% significance level (i.e., 95% confidence level).

⁴³ Qualified respondents were asked Q725: "Please use your mouse's cursor to point and click on the screen on the information that tells you that this [refrigerator/dishwasher] qualifies for the federal government's ENERGY STAR program." This question was asked of respondents who said they could tell that an appliance qualified for the ENERGY STAR program, and who also identified at least one model as ENERGY STAR-qualified.



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* * * all the research shows that consumers are quite savvy and quite clear at moderating themselves to the average." (Workshop Tr. at 211). We seek comments on whether the regional variability of energy costs is a significant issue for implementing the energy cost label. We urge commenters to identify their concerns with specificity and provide any alternative approaches to addressing this issue.

Additionally, we seek comments on all aspects of the Commission's proposal to require operating cost as the primary disclosure on the label. To implement such a label, the Commission would also issue new range information in the form of costs for all affected products. ⁶¹ These ranges would replace those currently found in the Appendices to the Rule. The Commission is not proposing specific range numbers now because the 2007 DOE fuel cost information is not available yet. Publication of range numbers in this

Proposed Rule Notice, therefore, may cause confusion.

Alternative Proposal: Multiple-Year Operating Cost Label

As an alternative to the annual operating cost information on the label, the Commission is considering a label that discloses operating cost over multiple years (e.g., a five-year period). Such a disclosure could provide consumers with a better understanding of the "lifetime" costs associated with operating the appliance. Thus, such a disclosure may also provide consumers with an easier way to gauge the money they will save by purchasing more efficient products. Additionally, a multi-year disclosure may make it easier for consumers to perceive the magnitude of energy efficiency differences among competing products. We recognize, however, that expected ownership durations may differ substantially across consumers and products, and consumers may be better able to perform their own calculations using a one-year estimate rather than a five-year estimate.

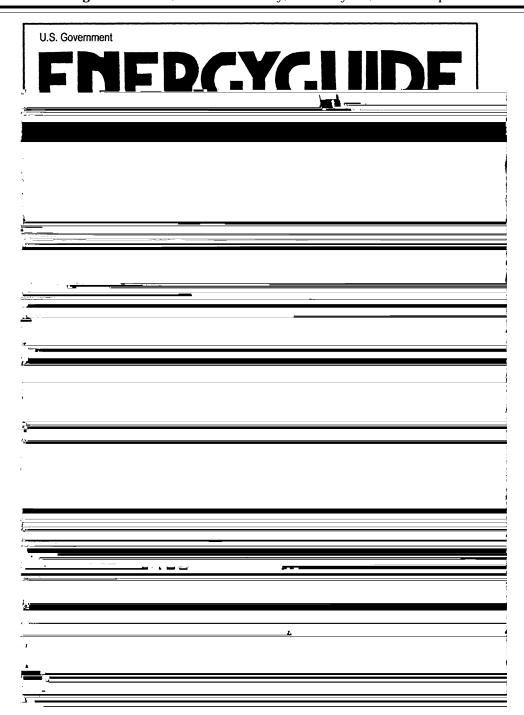
The Commission seeks comment on whether a "five-year" operating cost disclosure should be adopted. We have drafted such a label as Figure 2 (Alternative Proposal). En particular, we ask commenters to address whether the label would suggest to consumers that the product would last only five years, whether the label should use a different time period (. ., 10 years), whether the cost information should be discounted to reflect the time-value of money, and if so, what assumptions should be used to institute a discounting procedure. En

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⁶¹ The Proposed Rule would also eliminate the definition of "range of energy efficiency ratings" in section 305.2 because the term would no longer be used in the Rule.

⁶² The label would also contain an annual cost disclosure in the explanatory language at the bottom of the label.

⁶³ The fact that respondents report "willingness-to-pay" figures greater than yearly operating costs across all treatments suggests that people may estimate cost savings over several years. Respondents who were willing to pay more for one appliance were asked (Q715) "Why do you say that. Please give as much detail as possible." Preliminary analysis of these responses suggests that people often evaluate future savings based on their expected period of appliance use.



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Proposed ENERGY STAR Placement

In response to comments, and consistent with the new designs tested in the research, the proposed amendments allow manufacturers to place the ENERGY STAR logo in the lower right-hand corner of the label for qualified products. Under this proposal, the logo may be up to one inch by one inch in size. Requirements related to the placement of the ENERGY STAR logo on the label are found in section 305.11(f)(12) of the Proposed Rule.

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: Currently, the Rule requires EnergyGuide labels on central air conditioners, heat pumps, furnaces, boilers, and water heaters. (16 CFR 305.11). Section 305.11 also requires manufacturers to provide energy information about most of these products in the form of fact sheets or industry directories. Additionally, retailers, including assemblers, who sell furnaces or central air conditioners to consumers must make available to consumers this energy information for the heating and cooling products they sell.⁶⁴

These products generally do not appear in showrooms where consumers can compare labels on competing models. ⁶⁵ In its ANPR, the Commission, therefore, sought comment on whether the Rule should continue to require labeling for heating and cooling equipment. The Commission also asked whether there were alternatives to labeling that would more effectively communicate energy efficiency information to consumers with respect to these products.

To address these questions, it is important to begin with a consideration of the statutory requirements related to labeling these products. Under section 324(a)(2) of EPCA, the Commission may exclude central air conditioners, heat pumps, and furnaces from labeling requirements if it determines that labeling is not technically or economically feasible or, alternatively, that labels are not likely to assist consumers in making purchasing decisions. (42 U.S.C. 6294(a)(2)). For water heaters, the statute directs the

FTC to require labels unless the Commission determines that labeling is not technologically or economically feasible. (42 U.S.C. 6294(a)(1)). Section 6294(c) gives the Commission authority to require disclosures of energy information in printed material displayed or distributed at the point of sale. In addition, the Commission may direct manufacturers to provide additional energy-related disclosures in information shipped with or attached to the product, including instructions for the maintenance, use, or repair of the covered product. (42 U.S.C. 6294(c)(5)).

: In response to the ANPR, several commenters expressed the belief that the Commission should discontinue labeling requirements for heating and cooling equipment. Both the Gas Appliance Manufacturers Association (GAMA) and the Air Conditioning and Refrigeration Institute (ARI) suggested that labels for heating and cooling equipment do not aid consumers because these products are not sold through showrooms or by other means that allow consumers to examine the label before purchase. 66 Industry representatives at the Workshop indicated that these purchases are usually made through in-person contractor visits or over the telephone. Contractors often conduct an on-site analysis to determine the appropriate equipment for the dwelling. (Workshop Tr. at 164). In addition, a GAMA representative noted that manufacturers currently provide directories to the dealers who have them available for their customers. (Workshop Tr. at 178). GAMA, therefore, urged the FTC to eliminate the labeling requirement for furnaces, boilers, and water heaters.67 ARI made the same suggestion for central air conditioners and heat pumps. Finally, NRCAN, in its written comments, described its voluntary program for heating and cooling products, which does not use labeling, but instead urges manufacturers to print efficiency ratings for their products in brochures.68

In comments submitted after the Workshop, EEI (#522148–00010) agreed that most consumers do not see the label

on these products until after purchase.⁶⁹ At the same time, it indicated that an 'appliance label can provide a document that verifies what the consumer agreed to purchase, and may help provide documentation for a utility rebate program, a state tax deduction or credit, or federal tax credit." ACEEE raised similar concerns about eliminating the EnergyGuide label from heating and cooling equipment. It suggested that the label information is useful even though most consumers do not see the EnergyGuide at the time of purchase. According to ACEEE, its research indicates that the label provides useful verification of the product's efficiency upon installation and allows auditors and consumers purchasing an existing home to determine the energy efficiency of equipment installed by previous owners. ACEEE (#519870-00021 in-person

 $^{^{64}}$ Retailers, including assemblers, who negotiate or make sales at a place other than their regular places of business must show the information to their customers and let them read the information before they agree to purchase the product. (\S 305.11(b)(1)(ii)).

^{65 , . . ., 44} FR at 66470 (Nov. 19, 1979) ("The majority of furnaces are purchased either in the consumer's home or as part of the consumer's purchase of a home. As a result, few consumers have an opportunity to see a display model before the furnace is installed.").

⁶⁶ GAMA #519870–00011, and ARI #519870–00010.

⁶⁷ GAMA explained that consumers sometimes purchase replacement residential water heaters from retail outlets, but, as often as not, they obtain them through contractors.

GAMA also argued that the recent DOE standards have significantly reduced the differences in energy use of storage water heaters on the market therefore reducing the need for labeling of these products. (GAMA #519870–00011).

⁶⁸ NRCAN #519870-00020

⁶⁹ Artcraft (#519870–00004) suggested that the energy label for air conditioners and heat pumps should include a note steering people toward expert advice and also indicated that manufacturers and retailers should be encouraged (and preferably required) to include a depiction of the energy label in leaflets, brochures, and advertising for each

HVAC contractors to create "certified fact sheets" that provide efficiency information to consumers when they are deciding to install a new system. EEI indicated that the certified fact sheet could be based on information downloaded from the ARI or GAMA Web sites, and be available for use by all home builders and HVAC contractors. It could incorporate information shown on the current appliance labels as well.

În addition to issues related to central air conditioners and furnaces, commenters raised a number of issues involving water heaters. 70 Bosch (#522148-00003) urged the Commission to use the same scales of comparability for instantaneous water heaters and tank water heaters. Bosch commented that a "water heater is a water heater in terms of meeting the needs of the consumer, and yet having different scales for storage tanks than for tankless muddles the message of efficiency. If the goal is to steer consumers toward energy efficient appliances, then I would recommend that the Federal Trade Commission use the same scale for all water heaters." When this issue was discussed at the Workshop, a GAMA representative suggested that several issues would need to be explored before addressing this issue because, for example, tank and tankless water heaters use different capacity measurements. Until such capacity issues can be resolved, he suggested that the FTC should not combine the two products in the same range. (Workshop Tr. at 193). Other participants also suggested that the ranges should not be combined at this time. (Workshop Tr. at 193 and 195). Finally, one commenter (Flanders Precisionnaire #519870-00003) suggested that EnergyGuide labels on heating and cooling equipment include a footnote indicating that conditions restricting airflow will immediately and perhaps significantly reduce energy efficiency below the

⁷⁰ GAMA, in written comments, and at the Workshop, indicated that water heaters now appear in some retail stores. (Workshop Tr. at 185).

⁷¹ The proposed marking requirements are in section 305.12 and 305.13 of the Proposed Rule. Under the Proposed Rule, the marking "must be permanent, legible, and placed on the outside surface of the product." To be "legible," the information must be easily viewed by a person examining the surface of the product.

counter or service desk, with a sign telling customers where the information can be found. Retailers, including assemblers, who negotiate or make sales at a place other than their regular places of business would have to show the required information to their customers, just as required under the current Rule. If the information is Internet-based, retailers (and assemblers) would have the option to provide customers with instructions to access the information online.

Under the Proposed Rule, the fact sheet-related information provided would be a simplified version of that currently required by the Rule. The manufacturer information would include: (1) The name of manufacturer or private labeler; (2) the trade (brand) name; (3) model number(s); (4) capacity determined in accordance with section 305.7; (5) energy efficiency rating as determined in accordance with section 305.5; (6) a statement that the energy efficiency ratings are based on U.S. Government standard tests; and (7) for central air conditioners, the information about efficiency ratings for specific condenser/coil combinations or, alternatively, for the "most common" condenser-evaporator coil combinations, as currently required by the Rule. We seek comments on all aspects of this proposal, including whether these disclosures are appropriate, and whether manufacturers and retailers should have the option to provide this information to customers through the Internet in lieu of showing them paper fact sheets or directories.

The Commission is not proposing to require information about operating costs for these products. Operating costs for heating and cooling equipment are highly dependent on regional conditions. 72 Although the current DOE test procedures provide instructions for calculating operating costs in several different regions, the calculations can be difficult to perform for the average consumer. In addition, we are not proposing to require range information for these disclosures. Range information is likely to be of reduced value to consumers in the context of industry directories and online databases where data for comparative models is readily available. It addition, it is unclear how separate range information can be incorporated into catalogs in a way that is beneficial to the average consumer. We seek comments on this proposal.

We note that using a uniform national average energy cost may be more useful

to consumers than the multi-region cost information currently required in the Rule. As an alternative to the proposed elimination of cost information for these products, the Rule could require manufacturers to provide a single estimated operating cost for their models based on national average figures for cooling/heating loads and for energy costs (e.g., heating/cooling loads based on Region IV as delineated in 10 CFR Part 430, SubT*(the optiono 430, Sub, Ap)Tjix ie0.nm7ts on thisTmers ardl Tw be

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 $^{^{72}\}mbox{The}$ current Rule does not require cost information on Energy Guide labels for heating and cooling equipment.

comparison across class, combining them will allow them to do that cross-class comparison, which is otherwise very difficult to do." (Workshop Tr. at 139). Another commenter at the Workshop suggested that the use of multiple categories for refrigerators may confuse consumers, particularly where ENERGY STAR models in one class use more electricity than non-ENERGY STAR models in another class. (Workshop Tr. at 146).

Other commenters cautioned against changes to the current ranges for refrigerators. AHAM (#522148-00007) indicated that its "research shows when consumers enter a retail establishment to purchase a refrigerator product, their first criteria is product configuration." In its view, "consumers have already decided on the desired configuration prior to stepping into a retail outlet.' According to AHAM, an amendment that merged the different categories of products "would run counter to marketplace and consumer purchase drivers, and would diminish the efficacy of the label. At the Workshop, an AHAM representative indicated that information currently on the label, such as operating costs, already permits consumers to make comparisons across different refrigerator configurations. (Workshop Tr. at 142wr. a 1 Tf13.8833 0 TD0 TD'astlreadyf Tw2549

⁷³ We believe this percentage of respondents may be overstated because the question simply asked whether respondents could compare the model to all similarly-sized models on the market, instead of asking respondents to choose from two possible answers (e.g., comparison to all similarly-sized models vs. comparison to similarly-sized and configured models). Many of the respondents may have assumed the question related to the range on the label without focusing on the subtleties of the question's wording. Nevertheless, the responses raise some concerns about whether consumers understand that the range of comparability applies to specific classes of appliances as opposed to all models available on the market.

^{74 42} U.S.C. 6294(c)(1)(B)

⁷⁵ As noted in VII.B, the Commission is not

⁷⁸ EPCA indicates that catalogs must "contain all information required to be displayed on the label, except as otherwise provided by the rule of the Commission."

promulgating more prescriptive disclosure requirements.

Additionally, the Commission is not proposing to require the inclusion of water use range information on packaging. The statute does provide a mechanism for the Commission to establish a format for manufacturers to use in making claims involving costs or the range of costs of plumbing products. The Commission discussed this issue in detail in issuing its initial labeling rules for plumbing products and decided to defer prescribing requirements on this issue. (58 FR 54955, 54961 (Oct. 25, 1993)). At this time, the Commission has no evidence that the inclusion of a water use range on packaging would

⁸² NRDC (#519870-00025).

⁸³ At the Workshop, one participant suggested that the average 42-inch plasma televisions draws 334 watts, with a minimum draw of 201 watts and a maximum draw of 520 watts. Workshop Tr. at 109

⁸⁴ CEE (#519870-00018).

 $^{^{85}}$ Mr. Payne also indicated that it is not necessary to have a minimum efficiency standard to require labeling for these products. (Workshop Tr. at 208–209).

 $^{^{81}\,} Under$ EPCA, however, manufacturers may elect to include such information on their products. 42 U.S.C. 6294(c)(8).

e-mail using spreadsheet templates provided on the FTC Web site. In addition, the reporting format in Appendix K does not apply to products that have been added since the Rule was first promulgated in 1979. Accordingly, we believe that Appendix K is no longer needed.

l , *l* : CEE (#519870–00018) recommended that the Commission consider instituting a semi-annual process to review technological advancements and modify the scope of labeling accordingly. The Commission conducts periodic reviews of all its regulations on a rotating schedule, as it is conducting now for the Appliance Labeling Rule. During these reviews, the Commission seeks comments on the effectiveness of the rule in question, the burden it imposes, and possible improvements. Between such reviews, individuals and organizations may contact the Commission about problems or possible amendments to rules that may be needed. Therefore, we have no plans to institute formal semi-annual reviews.

- / : One commenter (Schau #519870–00002) urged the Commission to require third-party testing for covered products. Under current DOE and FTC requirements, manufacturers may conduct testing themselves as long as they follow DOE test procedures. The Commission is not aware of any evidence of widespread energy disclosure problems stemming from the fact that third-party testing is not required by DOE and FTC regulations. Accordingly, we have no plans to propose such a requirement.

VIII. Paperwork Reduction Act

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 (PRA).86 OMB has approved the Rule's information collection requirements through August 31, 2009 (OMB Control No. 3084–0069). The proposed amendments make minor

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^{86 44} U.S.C. 3501-3520.

provide manufacturers with ample time to implement this new design. The Commission estimates that these new requirements will apply to about 300 product manufacturers and an additional 150 online and paper catalog sellers of covered products. Out lle góg Commissioxpeoduóg

- (f) *I* for lamps means the portion of the lamp which screws into the socket.
- (g) *I* means the shape of the lamp, especially the glass portion.
- (h), 11 means printed material, including material disseminated over the Internet, which contains the terms of sale, retail price, and instructions for ordering, from which a retail consumer can order a covered product.
- (i) or CRI for lamps means the measure of the degree of color shift objects undergo when illuminated by a light source as compared with the color of those same objects when illuminated by a reference source of comparable color temperature.
- (j) means the Federal Trade Commission.
- (k), means any article (other than an automobile, as "automobile" is defined in 15 U.S.C. 2001(1) [sec. 501(1) of the Motor Vehicle Information and Cost Savings Act]) of a type—
- (1) Which in operation consumes, or is designed to consume, energy or, with respect to showerheads, faucets, water closets, and urinals, water; and
- (2) Which, to any significant extent, is distributed in commerce for personal use or consumption by individuals;

Without regard to whether such article or such type is in fact distributed in commerce for personal use or consumption by an individual, except that such term includes fluorescent lamp ballasts, general service fluorescent lamps, medium base compact fluorescent lamps, general service incandescent lamps (including incandescent reflector lamps),

consumer appliance product which bears a private label.

(cc) I I I means a group of models within a class of covered products, each model of which satisfies approximately the same consumer needs.

(dd) I I I I

means the range of estimated annual energy cost per year of all models within a designated range of comparability.

(ee) I means a person to whom a consumer appliance product is delivered or sold, if such delivery or sale is for purposes of sale or distribution in commerce to purchasers who buy such product for purposes other than resale. The term I includes purchasers of appliances who install such appliances in newly constructed or newly rehabilitated housing, or mobile homes, with the intent to sell the covered appliances as part of the sale of such housing or mobile homes.

(ff). *I* means the quantity of water flowing through a showerhead, faucet, water closet, or urinal at point of use, determined in accordance with test procedures under section 323 of the Act, 42 U.S.C. 6293.

(gg). I I for lamps means the total electrical power consumed by a lamp in watts, after an initial seasoning period and including, for fluorescent lamps, arc watts plus cathode watts.

3. In § 305.3, paragraphs (a)(1), (d), and (r) are revised to read as follows:

305.3 D (a) * * * (1)

means a cabinet designed for the refrigerated storage of food at temperatures above 32 [deg] F and below 39 [deg] F, configured for general refrigerated food storage, and having a source of refrigeration requiring single phase, alternating current electric energy input only. An electric refrigerator may include a compartment for the freezing and storage of food at temperatures below 32 [deg] F, but does not provide a separate low temperature compartment designed for the freezing and storage of food at temperatures below 8 [deg]F.

* * * * * * was a product which utilizes oil, gas, or electricity to heat potable water for use outside the heater upon demand, including—

(1) Storage type units which heat and store water at a thermostatically controlled temperature, including gas storage water heaters with an input of 75,000 Btu per hour or less, oil storage water heaters with an input of 105,000 Btu per hour or less, and electric storage

water heaters with an input of 12 kilowatts or less;

(2) Instantaneous type units which heat water but contain no more than one gallon of water per 4,000 Btu per hour of input, including gas instantaneous water heaters with an input of 200,000 Btu per hour or less, oil instantaneous water heaters with an input of 210,000 Btu per hour or less, and electric instantaneous water heaters with an input of 12 kilowatts or less; and

(3) Heat pump type units, with a maximum current rating of 24 amperes at a voltage no greater than 250 volts, which are products designed to transfer thermal energy from one temperature level to a higher temperature level for the purpose of heating water, including all ancillary equipment such as fans, storage tanks, pumps, or controls necessary for the device to perform its function.

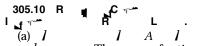
(r) *I* means an appliance designed for heating nonpotable water contained at atmospheric pressure, including heating water in swimming pools, spas, hot tubs and similar applications.

4. In § 305.5, paragraph (a) is revised to read as follows:

(a) Procedures for determining the estimated annual energy consumption, the estimated annual operating costs, the energy efficiency ratings, and the efficacy factors of the following covered products are those located in 10 CFR part 430, subpart B. For the following list of covered products, the requirements of this part apply only to products for which the Department of Energy has adopted and published test procedures for measuring energy usage.

(1) Refrigerators and refrigeratorfreezers § 430.23(a).

- (2) Freezers—§ 430.23(b).
- (3) Dishwashers—§ 430.23(c).
- (4) Water heaters—§ 430.23(e).



. The range of estimated annual estimated operating costs for each covered product (except fluorescent lamp ballasts, lamps, central air conditioners, heat pumps, furnaces, showerheads, faucets, water closets or urinals) shall be taken from the appropriate appendix to this rule in effect at the time the labels are affixed to the product. The Commission shall publish revised ranges every five years beginning in 2012 in the Federal Register. When the ranges are revised, all information disseminated after 90 days following the publication of the revision shall conform to the revised ranges. Products that have been labeled prior to the effective date of a

. The National Average Representative Unit Cost to be used on labels as required by § 305.11 of this Part are listed in Appendix H to this Part. The Commission shall publish revised National Average Representative Unit Cost figures every five years beginning in 2012 in the Federal **Register**. When the cost figures are revised, all information disseminated

modification under this section need

after 90 days following the publication of the revision shall conform to the new cost figure.

(c),

not be relabeled.

. When the estimated annual operating cost of a given model of a covered product falls outside the limits of the current range for that product, which could result from the introduction of a new or changed model, the manufacturer shall:

(1) Omit placement of such product on the scale, and

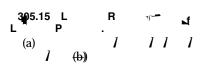
(2) Add the sentence below, as appropriate, in the space just below the scale, as follows:

The estimated annual operating cost of this model was not available at the time the range was published.

305.13, 305.14, 305.15, 305.16, 305.17, 305.19 [R 305.18, 305.19, 305.20, 305.21, 305.22, 305.23, 305.24 305.25

9. Sections 305.13, 305.14, 305.15, 305.16, 305.17, 305.18 and 305.19 are redesignated as 305.19, 305.20, 305.21, 305.22, 305.23, 305.24 and 305.25 respectively.

10. Section 305.15 is added to read as follows:



incandescent lamp (including an incandescent reflector lamp), shall be measured at 120 volts, regardless of the lamp's design voltage. If a lamp's design voltage is 125 volts or 130 volts, the disclosures of the wattage, light output and life ratings shall in each instance be:

(A) At 120 volts and followed by the phrase "at 120 volts." In such case, the labels for such lamps also may disclose the lamp's wattage, light output and life at the design voltage (. ., "Light Output 1710 Lumens at 125 volts"); or

(B) At the design voltage and followed by the phrase "at (125 volts/130 volts)" if the ratings at 120 volts are disclosed clearly and conspicuously on another panel of the package, and if all panels of the package that contain a claimed light output, wattage or life clearly and conspicuously identify the lamp as "(125 volt/130 volt)," and if the principal display panel clearly and conspicuously discloses the following statement:

This product is designed for (125/130) volts. When used on the normal line voltage of 120 volts, the light output and energy efficiency are noticeably reduced. See (side/back) panel for 120 volt ratings.

- (iv) For any covered product that is an incandescent reflector lamp, the required disclosure of light output shall be given for the lamp's total forward lumens.
- (v) For any covered product that is a compact fluorescent lamp, the required light output disclosure shall be measured at a base-up position; but, if the manufacturer or private labeler has reason to believe that the light output at a base-down position would be more than 5% different, the label also shall disclose the light output at the base-down position or, if no test data for the base-down position exist, the fact that at a base-down position the light output might be more than 5% less.

(vi) For any covered product that is a compact fluorescent lamp or a general service incandescent lamp (including an incandescent reflector lamp), there shall be clearly and conspicuously disclosed on the principal display panel the following statement:

To save energy costs, find the bulbs with the (beam spread and) light output you need, then choose the one with the lowest watts."

(vii) For any covered product that is a general service incandescent lamp and operates with multiple filaments, the principal display panel shall disclose clearly and conspicuously, in the manner required by paragraph (b)(1)(i)—

following: "A112.18.1M" and the flow rate expressed in gallons per minute (gpm) or gallons per cycle (gpc), and the flow rate value shall be the actual flow rate or the maximum flow rate specified by the standards established in subsection (j) of section 325 of the Act, 42 U.S.C. 6295(j). Each flow rate disclosure shall also be given in liters per minute (L/min) or liters per cycle (L/cycle).

(b) 1 1 Water closets and urinals shall be marked and labeled as follows:

(1) Each such fixture (and flushometer valve associated with such fixture) shall bear a permanent legible marking indicating the flow rate, expressed in gallons per flush (gpf), and the water use value shall be the actual water use or the maximum water use specified by the standards established in subsection

front, as long as this can be done with assurance that it will be readily visible.

- (2) . I I . A hang tag shall be affixed in such a position that it can be easily read by a consumer examining the product. A hang tag can be affixed in any position that meets this requirement as long as the label will not become dislodged during normal handling throughout the chain of distribution to the retailer or consumer.

illustrated in the Prototype Labels in Appendix I to this Part.

- (2) Name of manufacturer or private labeler shall, in the case of a corporation, be deemed to be satisfied only by the actual corporate name, which may be preceded or followed by the name of the particular division of the corporation. In the case of an individual, partnership, or association, the name under which the business is conducted shall be used. Inclusion of the name of the manufacturer or private labeler is optional at the discretion of the manufacturer or private labeler.
- (3) Model number(s) will be the designation given by the manufacturer or private labeler.
- (4) Capacity or size is that determined in accordance with § 305.7. For refrigerators, refrigerator-freezers, and freezers, the capacity provided on the label shall be the model's total refrigerated volume (VT) as determined in accordance § 305.7.
- (5) Estimated annual operating costs for refrigerators, refrigerator-freezers, freezers, clothes washers, dishwashers, room air conditioners, pool heaters, and water heaters are as determined in accordance with § 305.5 and texts, asTj-1 -1.

the lower right-hand corner of the label and be set in 6-point type or smaller.

- () The energy use disclosure labels required by the governments of Canada or Mexico may appear directly adjoining this label, as desired by the manufacturer.
- () The manufacturer may include the ENERGY STAR logo on the bottom right corner of the label for qualified products. The logo must be no larger than 1 inch by 1 inch. Only manufacturers that have signed a Memorandum of Understanding with DOE or EPA may add the ENERGY STAR logo to labels on qualifying covered products; such manufacturers may add the ENERGY STAR logo to labels only on those covered products that are contemplated by the Memorandum of Understanding.
- 13. Section 305.12 is revised to read as follows:

- (a) Central air conditioners and heat pumps covered by this part must be marked permanently with the model number, the Seasonal Energy Efficiency Ratio for the model's cooling function, if applicable, and the Heating Seasonal Performance Factor (HSPF) for the model's heating function, if applicable. The marking must be permanent, legible, and placed on the outside surface of the product.
- (b) For the model's cooling function, the seasonal energy efficiency ratio shall be determined in accordance with § 305.5. For the heating function, the heating seasonal performance factor shall be calculated for heating Region IV for the standardized design heating requirement nearest the capacity measured in the High Temperature Test in accordance with § 305.5. In addition, the energy efficiency rating(s) for split system condenser-evaporator coil combinations shall be either:
- (1) The energy efficiency rating of the condenser-evaporator coil combination that is the particular manufacturer's most commonly sold combination for that condenser model; or
- (2) The energy efficiency rating of the actual condenser-evaporator coil combination comprising the system to which the label is to be attached.
- 14. Section 305.13 is added to read as follows:

(a) Furnaces (including boilers) covered by this part must be marked permanently with the model number, and the model's Annual Fuel Utilization Efficiency (AFUE) determined in

accordance with § 305.5. The marking must be permanent, legible, and placed on the outside surface of the product.

(b) Manufacturers of boilers shipped with more than one input nozzle to be installed in the field must mark such boilers with the AFUE of the system when it is set up with the nozzle that results in the lowest annual fuel utilization efficiency rating.

(c) Manufacturers that ship out boilers that may be set up as either steam or hot water units must mark the boilers with the AFUE rating derived by conducting the required test on the boiler as a hot water unit.

15. Section 30.14 is added to read as follows:

Manufacturers of central air conditioners, heat pumps, and furnaces (including boilers) must provide energy information about the equipment they sell to distributors and retailers, including contractors. This information can be provided through means such as fact sheets, product brochures, and directories. All required information must be disclosed clearly and conspicuously. The information must include:

- (1) Name of manufacturer or private labeler [in the case of a corporation, the name shall be deemed to be satisfied only by the actual corporate name, which may be preceded or followed by the name of the particular division of the corporation. In the case of an individual, partnership, or association, the name under which the business is conducted shall be used.]
- (2) Trade name (if different from manufacturer);
- (3) Model number(s) (given by the manufacturer or private labeler);
- (4) Capacity or size as determined in accordance with § 305.7;
- (5) Energy efficiency rating as determined in accordance with § 305.5.
- (6) A statement that the energy efficiency ratings are based on U.S. Government standard tests.
- (7) For central air conditioners and heat pumps, the required information must disclose efficiency ratings for the "most common" condenser-evaporator coil combinations. The statement should be made in one of the following three ways:
- (i) For information disclosing the seasonal energy efficiency ratio for cooling, the statement should read:

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(ii) For information disclosing both the seasonal energy efficiency ratio for cooling and the heating seasonal performance factor for heating, the statement should read:

(iii) For information disclosing the heating seasonal performance factor for heating, the statement should read:

- (8) Information for central air conditioners disclosing the efficiency ratings for specific condenser/coil combinations does not have to contain any of the above three statements. Instead, it must contain a general disclosure that the energy costs and efficiency ratings are based on U.S. Government tests.
- (b) . (A) Manufacturers and private labelers must give distributors and retailers, including assemblers, the information covered under section 305.14(a) for the central air conditioners, heat pumps, and furnaces (including boilers) they sell to them. This information may be provided in paper or electronic form (including Internet-based access). Distributors must give this information to retailers, including assemblers, they supply.
- (B) Retailers, including assemblers, who sell furnaces (including boilers), central air conditioners, or heat pumps to consumers must have the required information for the furnaces and central air conditioners they sell. They must make the information available to their customers. The required information may be made available to customers in any manner, as long as customers are likely to notice them. For example, it can be available in a display, where customers can take copies of them. It can be kept in a binder or made available electronically at a counter or service desk, with a sign telling customers where the required information is.
- (C) Retailers, including assemblers, who negotiate or make sales at a place other than their regular places of business must show the required information to their customers and let them read the fact information before they agree to purchase the product. If the information is Internet-based, retailers, including assemblers, who negotiate or make sales at a place other

than their regular places of business, may choose to provide customers with instructions to access such information in lieu of showing them a paper version of the information. Retailers who choose to use the Internet for the required information, must let customers read

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22. Appendix A5 to Part 305 is revised to read as follows:

Appendix A5 to Part 305—Refrigerator-Freezers With Automatic Defrost With Side-Mounted Freezer Without Through-the-Door Ice Service

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23. Appendix A6 to Part 305 is revised to read as follows:

Appendix A6 to Part 305—Refrigerator-Freezers With Automatic Defrost With Bottom-Mounted Freezer Without Through-The-Door Ice Service

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25. Appendix A8 to Part 305 is vised to read as follows: Appendix A8 to Part 305—Refrigerator-Freezers With Automatic Defrost With Side-Mounted Freezer With Throughthe-Door Ice Service		
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(*) Appendix B2 to Part 305 is revised to read as follows: Appendix B2 to Part 305—Upright Freezers With Automatic Defrost				
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30. Appendix C2 to Part 305 is revised Appendix C2 to Part 305—Standard to read as follows:

Dishwashers

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305 are revised to read as follows:

31. Appendices D1 through D5 to Part Appendix D1 to Part 305—Water Heaters—Gas

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Appendix D2 to Part 305—Water Heaters—Electric

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32. Appendix E to Part 305 is revised to read as follows: Appendix E to Part 305—Room Air Conditioners Appendix E to Part 305—Room Air Conditioners Appendix E to Part 305—Room Air Conditioners 1,000 1			
32. Appendix E to Part 305 is revised roread as follows: 32. Appendix E to Part 305 is revised Conditioners Conditioners 1. 2000 1.	(q C A		_ ' 'k • '→ 7 ,)
32. Appendix E to Part 305 is revised to read as follows: Appendix E to Part 305 is revised Conditioners 1, 2000. 33. Appendix F1 to Part 305 is revised to read as follows: Appendix F1 to Part 305 is revised Clothes Washers	€_		
33. Appendix F1 to Part 305 is revised to read as follows: Appendix F1 to Part 305 is revised Clothes Washers Appendix F1 to Part 305 is revised Clothes Washers	1 /		
33. Appendix F1 to Part 305 is revised Appendix F1 to Part 305—Standard Clothes Washers			
33. Appendix F1 to Part 305 is revised to read as follows: Appendix F1 to Part 305—Standard Clothes Washers Appendix F1 to Part 305—Standard Clothes Washers	, ** , *		7 .)
33. Appendix F1 to Part 305 is revised to read as follows: Appendix F1 to Part 305—Standard Clothes Washers 1	,000 7, ,000 1, 1,000 1, 20,000, ,000 7, ,000 1, 1,000 1, 20,000,		
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34. Appendix F2 to Part 305 is revised to read as follows:

Appendix F2 to Part 305—Compact Clothes Washers

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Appendices G1 through G8, H, and I to Part 305 [Removed]

35. Appendices G1 through G8, H, and I to Part 305 are removed.

Appendices J1 and J2 to Part 305 [Redesignated as G1 and G2]

36. Appendices J1 and J2 to Part 305 are redesignated as Appendices G1 and G2 and revised to read as follows:

Appendix G1 to Part 305—Pool Heaters—Gas

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Appendix G2 to Part 305—Pool Heaters—Oil

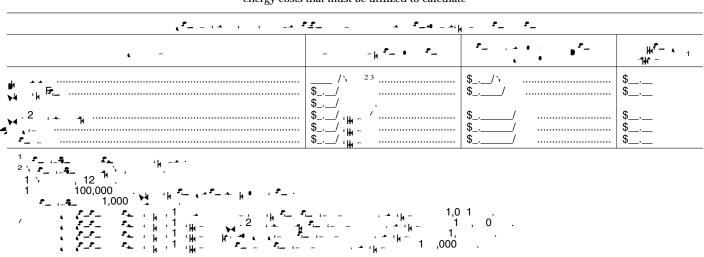
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37. Appendix H to Part 305 is revised to read as follows:

Appendix H to Part 305— Representative Average Unit Energy Costs

This Table contains the representative unit energy costs that must be utilized to calculate

operating cost disclosures required under sections 305.11, 305.14, and 305.20. This Table is based on information published by the U.S. Department of Energy in 2007.



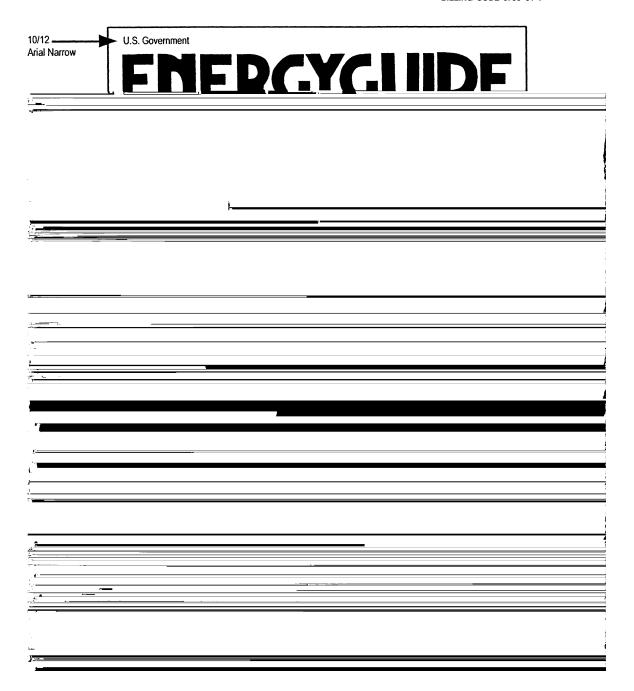
Appendix L [Redesignated as Appendix II

38. Appendix L is redesignated as Appendix I.

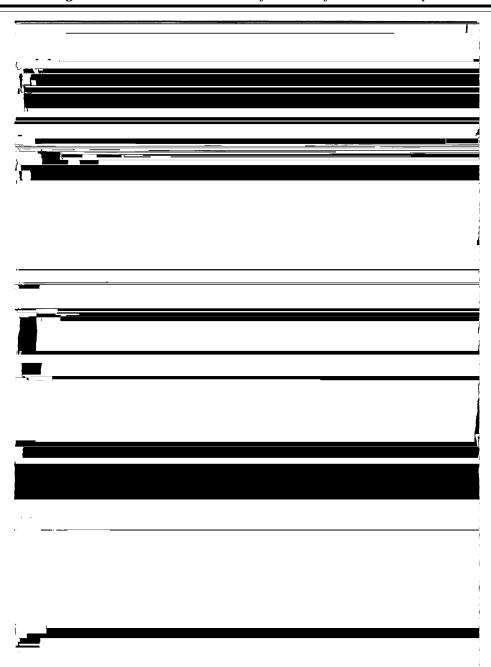
39. Prototype label 1 and Sample labels 1 and 2 are revised and Prototype labels 2 through 5 and Sample labels 3 through 11 in newly designated

Appendix I are removed to read as follows:

Appendix I to Part 305—Sample Labels
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By direction of the Commission.

Donald S. Clark,

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[FR Doc. 07–613 Filed 2–12–07; 8:45 am]