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October 29, 2010

Via E-Mail

Maria Vargas
U.S. Environmental Protection Agency
Ariel Rios Building
1200 Pennsylvania Avenue, N. W.
Washington, DC 20460

vargas.maria@epa.gov

Re: ENERGY STAR Proposal For Comment:
Advancing The Market For Top Tier ENERGY STAR Qualified Products

Dear Ms. Vargas:

On behalf of the Association of Home Appliance Manufacturers (AHAM), I would like to provide our comments on the ENERGY STAR Proposal For Comment: Advancing The Market For Top Tier ENERGY STAR Qualified Products.

The Association of Home Appliance Manufacturers (AHAM) represents manufacturers of major, portable and floor care home appliances, and suppliers to the industry. AHAM's membership includes over 150 companies throughout the world. In the U.S., AHAM members employ tens of thousands of people and produce more than 95% of the household appliances shipped for sale. The factory shipment value of these products is more than \$30 billion annually. The home appliance industry, through its products and innovation, is essential to U.S. consumer lifestyle, health, safety and convenience. Through its technology, employees and productivity, the industry contributes significantly to U.S. jobs and economic security. Home appliances also are a success story in terms of energy efficiency and environmental protection. New appliances often represent the most effective choice a consumer can make to reduce home energy use and costs.

AHAM supports EPA and DOE in their efforts to provide incentives to manufacturers, retailers, and consumers for continual energy efficiency improvement. We continue to believe, however, that the impact of the top tier/super star program is unknown, and may be undesirable. Accordingly, AHAM continues to have concerns about the concept of a top tier/super star program within the ENERGY STAR program. We do appreciate, however, that ENERGY STAR has made an attempt to address some of our earlier expressed concerns.

Although EPA conducted consumer research, as AHAM suggested, we question the validity of the results. The markets selected for focus groups –New York, Atlanta, Denver, and San Francisco—do not provide a full representation of the country. It appears that ENERGY STAR chose areas of the country in which it would find the most favorable results. In addition, AHAM is concerned that the proposal may dilute the ENERGY STAR brand from a stakeholder perspective. If retailers and/or local governments promote and purchase only or largely top tier/super star products, manufacturers will be forced to re-design products, in a race with each other, to reach levels of energy efficiency that do not offer payback to consumers. In other words, the super star/top tier program may be targeted to “early adopters,” but it could impact all consumers, thus making stakeholders less likely to participate in ENERGY STAR. Instead, ENERGY STAR should continue to focus its efforts on saving energy on a larger scale—the ENERGY STAR program as it currently exists does that.

If ENERGY STAR decides to move forward with the top tier/super star program, AHAM suggests that it make the top tier determination annually, at least in the case of home appliances. The timeline may be different for other categories of products, such as consumer electronics, in which technologies advance more quickly. But, for home appliances, it is important that there be some stability, and an annual qualification for top tier/super star could help accomplish that. It will take a large amount of planning, manpower, and investment to change the top tier designation in marketing materials and on showroom floors. Thus, although new products could be added to the “top tier” after the initial determination has been made each year, once a determination is made that a product is in the top tier, it should maintain that status for a full year regardless of the other products that enter the market. ENERGY STAR should talk to manufacturers to see if there is a particular time of year for each product category that would make sense for that determination.

There are considerable difficulties with point of sale marketing materials and product labels under the current ENERGY STAR program. For example, retailers may not always remove a sign, sticker, or other label when a product no longer qualifies for ENERGY STAR, despite the manufacturer’s request to do so. It is also often the case that signs and removable labels get placed on the wrong product. Manufacturers should not be held accountable or liable for these situations over which they have no control under *any* circumstance. But the concern is even more acute under the top tier/super star proposal because a product’s status is likely to change more often, and products are likely remain in inventory and on the floor beyond their qualification for top tier/super star. Thus, AHAM suggests that ENERGY STAR develop marketing guidelines and requirements designed to lower the risk of confusion for consumers. In particular, we suggest that ENERGY STAR require that point of sale marketing for top tier/super star qualified products be accompanied by the manufacturer name, model number of the top tier/super star qualified product, and date of qualification. This will give clarity to consumers in the event a label is not timely removed or is misplaced.

AHAM also urges ENERGY STAR to consider how performance metrics will be incorporated into the top tier/super star program. At this time, performance is not a part of the ENERGY STAR specifications, and so this consideration is not possible or necessary. But, as performance metrics are being proposed for some products (e.g., dishwashers), we believe it is important that,

if performance metrics are adopted, those also be considered in the top tier/super star determination. A product should not be in the top tier if it is a super efficient product, but does not deliver the performance a consumer expects.

AHAM appreciates the opportunity to submit these comments on ENERGY STAR's proposal regarding Advancing The Market For Top Tier ENERGY STAR Qualified Products. We would be glad to discuss this matter further should you request.

Best Regards,

A handwritten signature in cursive script, reading "Jennifer Cleary".

Jennifer Cleary
Director, Regulatory Affairs