



LG ELECTRONICS USA, INC.

1000 Sylvan Avenue
Englewood Cliffs, NJ 07632

October 29, 2010

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

**Re: Proposal for Comment: Advancing the Market for Top Tier
ENERGY STAR® Qualified Products**

Dear Ms. Vargas:

Thank you for the opportunity to comment on the proposal to establish a Top Tier ENERGY STAR program. LG Electronics, a long-time ENERGY STAR Partner, is pleased to submit these comments on the proposal.

LG Electronics USA, Inc., based in Englewood Cliffs, N.J., is the North American subsidiary of LG Electronics, Inc., a global force and technology leader in consumer electronics, home appliances and mobile communications. In the United States, LG Electronics sells a range of stylish and innovative home appliances, home entertainment products, mobile phones, air conditioning and solar energy systems, and business solutions. Founded in 1958, LG has led the way in bringing advanced digital products and applied technologies to our customers. With our commitment to innovation and assertive global business policies, we aim to become a worldwide leader in advanced digital technology.

We share that same commitment to innovation and leadership when it comes to energy efficiency and ENERGY STAR. Because of our dedication to enriching lives through innovation, including greener, more efficient products, LG welcomes the Top Tier ENERGY STAR Proposal, and looks forward to supporting both the Environmental Protection Agency (EPA) and Department of Energy (DOE) in its implementation. To that end, we offer the following suggestions on the Proposal for Comment.

RECOMMENDATIONS

a. Product Categories

EPA has identified six consumer products for initial inclusion in the Top Tier program – clothes washers, dishwashers, refrigerators, TVs, central air conditioners and heating equipment. As a technology innovator in home appliances and HVAC systems, LG generally agrees with the initial inclusion of these six products. We are pleased to see

televisions identified as an early priority. LG Electronics, one of the world's largest manufacturers of flat-panel displays, has been a leader in the transition to digital television technology, and its U.S. R&D subsidiary pioneered the DTV broadcast standard adopted by the Federal Government.

In addition to the six consumer products identified, LG also recommends that EPA consider adding in clothes dryers and all-in-one washer/dryer units, either in the initial rollout or shortly thereafter. Both of these products offer significant opportunity for early adopters to provide essential market pull for highly efficient appliances. Further, while we understand that EPA is focusing on residential products as it develops the Top Tier program, LG recommends that EPA consider including commercial laundry, a category with significant energy-savings opportunities going forward. LG looks forward to working with EPA and others in the industry to evaluate the inclusion of commercial products.

b. Establishing a Performance Level

EPA proposes to undertake a case-by-case approach in establishing a performance level for inclusion in the Top Tier Program. LG supports this approach, with the caveat that success of the program will depend in large part on the ability to concisely and effectively communicate to consumers precisely what qualifies a product to be Top Tier. Identification of a quantifiable class of performers – i.e. a “top 5%” approach – has the value of being very simple and direct. However, if the program is to truly identify those extraordinary products that exceed performance standards by a significant margin, then a case-by-case approach is likely the best, as it would reflect a more nuanced analysis of individual appliance categories.

LG believes that strong marketing and customer information are the keys to success, as well as the best way to ensure that the ENERGY STAR brand is protected. Therefore, as the agency develops the case-by-case analysis, LG urges EPA to factor in the need to develop a standard that is easily communicated. While the intent of the program may be to identify the “best” or the “maximum,” the meaning behind those words is still the strength of the program.

Finally, the Proposal does not address any recommendations related to testing and enforcement. A Top Tier Program should have rigorous testing and enforcement requirements to ensure that consumers realize a meaningful distinction between ordinary ENERGY STAR and Top Tier products. LG strongly supports transparent, robust third party testing of products, particularly within the Top Tier classes. Consumers should have reason to trust the designation of top performers, and a rigorous testing program is the best way to provide that certainty.

c. Timing of Updates/Recognition Period

EPA has proposed that Top Tier recognition be awarded and updated annually. EPA also indicated a target date of January 2011 for the Program roll-out with identification of the first Top Tier Products. LG supports the annual designation, but recommends that EPA discuss timing with manufacturers to determine the roll-out schedule based on typical industry product development calendars.

d. Marketing/Publicity

The Top Tier Program, as proposed, appears to vest the majority – if not all – of marketing and promotion responsibility in the Federal government and retailers, with little or no role for manufacturers. Products may not be labeled as Top Tier, and only limited point-of-sale promotion is expected. EPA proposes to maintain a website, with various social media and smartphone accessibility options, as the primary means of information flow and marketing.

LG recommends that EPA build on its tradition of working closely with the industry to aggressively promote the Top Tier Program, as it has done with ENERGY STAR. Manufacturers (and our retail partners) have a strong interest in seeing a Top Tier Program succeed and thus will be among the most active promoters. As EPA has expressed, the intent of the Top Tier Program is a market pull effect, moving energy efficient products into the marketplace more quickly by targeting and activating early adopters. LG shares this interest. Being able to market a product as an EPA-identified “Top Tier” product will enable manufacturers to successfully introduce new, more energy efficient products and demonstrate the value of providing these options to consumers. By limiting marketing only to the government and retailers, EPA is excluding partners who want to see the program succeed.

With regards to marketing and publicity, LG recommends that EPA consider renaming the proposal, calling it “SuperSTAR” or “ENERGY STAR Plus, so some other suitable marketing name. While protecting the integrity of ENERGY STAR as a distinct brand is vital, verbally linking ENERGY STAR and the Top Tier Program indicates that the two concepts build upon one another. Introducing a “Top Tier” brand to the market may cause confusion, leading consumers to think there are two messages being communicated. Instead, the use of a strong ENERGY STAR-related trademark would provide a continuum of energy efficiency that is easily communicated and adopted.

Finally, while the Top Tier program is important, protecting and nurturing the core ENERGY STAR program is vital. It is in no one’s interest to see the Top Tier program succeed to the detriment of the ENERGY STAR brand. Thus, LG recommends that while working to build a successful Top Tier program, EPA remain vigilant in protecting the brand and image of ENERGY STAR above all.

CONCLUSION

LG Electronics, as a long-standing ENERGY STAR Partner, welcomes EPA’s proposal to establish a Top Tier Program, and looks forward to working with EPA to launch and develop the new system. Our recommendations are offered with the intent of creating a robust program that adequately targets early technology adopters and helps move products into market.

We recommend that EPA consider adding additional products, such as clothes dryers and all-in-one washer/dryers to the initial roll-out, and looks forward to discussing a “top tier” approach for commercial laundry and other commercial products in the near future. LG

supports robust and transparent third party testing, both for ENERGY STAR and a Top Tier program. To ensure the success of any new customer information/branding effort, manufacturers must be included in the marketing and promotion. Finally, LG recommends EPA remains focused on ensuring that the Top Tier program further enhances the ENERGY STAR brand.

We look forward to working with you on these and other ENERGY STAR issues.

Cordially,

A handwritten signature in black ink, appearing to read "John Taylor". The signature is fluid and cursive, with the first name "John" and last name "Taylor" clearly distinguishable.

John I. Taylor
Vice President
Government Relations and Communications
LG Electronics USA, Inc.
1776 K Street NW
Washington, DC 20006
Phone: 202-719-3490
Fax: 847-941-8177
Email: john.taylor@lge.com