



March 14, 2008

Mr. Andrew Fanara
Office of Air and Radiation
United States Environmental Protection Agency
Washington, DC 20460

Re: Motorola Inc.'s Comments on Proposed Changes to the ENERGY STAR®
Program

Dear Mr. Fanara,

Motorola appreciates the opportunity to comment on the current proposed changes in specifications. We support ENERGY STAR's consistent striving for excellence and encourage a program of continuous improvement through systematic and predictable revisions to the ENERGY STAR specifications. Further, Motorola has a deep and longstanding commitment to environmental responsibility and has viewed the ENERGY STAR program, together with the EU Code of Conduct for External Power Supplies (EPS), as important components of our overall environmental program.

Motorola is a committed ENERGY STAR partner. We are a top manufacturer of mobile phones in the U.S. with a respected industry analyst¹ reporting unit sales as more than 46 million in 2007.² All products that shipped in a Motorola-packaged box were labeled with the ENERGY STAR logo. In addition, Motorola's power supplies are also sold as after-market products. Motorola's retail packaging also is marked with the ENERGY STAR logo.

Given our commitment, the current ENERGY STAR proposals are very concerning to us. In particular, we have a significant concern about the very aggressive time frame now set out for meeting a substantial leap in the efficiency requirements. We believe that the timeframe is not adequate for a major manufacturer to be a continuing partner under the ENERGY STAR program.

- A. The November timetable for ENERGY STAR EPS Version 2.0 is not reasonable for mobile phone EPS partners.

The ENERGY STAR program uses the term "partner" to describe participants in the program. Partners are encouraged to promote ENERGY STAR in various ways. Manufacturers are encouraged to promote the program in product literature, such as user manuals, and product advertising/promotional materials.

¹ NPD Group (Feb. 19, 2009). Motorola's regional sales figures are proprietary and not cited here.

² Id.



Although there are no express commitments on the ENERGY STAR sponsors called out in the program materials, there is an expectation by a partner to fair and reasonable treatment.

The current deadline for the new ENERGY STAR specifications (November 1 of this year) is not fair and reasonable: this deadline does not provide a committed EPS partner adequate time to meet the specifications. The process for ramping up the manufacture of an EPS product to meet a new spec requires time for design, qualification, testing, and assessment. Where an EPS partner has fully committed its national and international product portfolio and must qualify more than one supplier for those products in order to have an effective business plan – as is the case with Motorola – more time is needed to make changes than the seven to eight months now proposed. In addition, when mobile phone EPS products are involved there are considerations beyond standard manufacturing practices: there also must be separate consideration of the industry's safety requirements as well as the required approvals of the carriers (service providers) who sell to consumers.

The industry safety requirements are governed, in part, by the procedures set out in IEEE 1725. These procedures currently require that all new power supplies must be registered with an industry database containing substantial documentation that the product complies with a strict safety regime. Under the process, the power supply documentation must be assembled and then submitted to a Battery Compliance Review Organization (BCRO) and approved for use *for each phone*. Assembling this extensive documentation can take substantial time. The entire approval process will vary but is at least 5-6 weeks where there is a normal workload. Where we have second and third sources, each must be qualified separately, again for each phone. If we were to re-submit our BCRO phone portfolio (approximately forty phones), the workload spike would greatly increase the approval cycle. More importantly, this process is slated to be made even more rigorous in the coming months as testing requirements become effective. The industry is moving to a certification process that will require actual testing by a designated test house before the product can pass the requirements and be certified for sale under the program.

The seven to eight months between the finalization of the new ENERGY STAR specification and its effective date do not allow a major manufacturer a realistic timeframe to meet them and remain an ENERGY STAR partner. We believe that it is essential to the integrity of the ENERGY STAR program that it not be seen as imposing a deadline that ignores the necessary timeframe a partner needs for following important safety procedures.



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- B. The current timetable is not adequate for completing customer commitments under the ENERGY STAR logo and completing the “unlabeling” of packaging.

Under the current ENERGY STAR guidelines, ongoing partners who do not have products that meet the updated specs must remove labels from packaging for currently shipping products. Those packages have been designed and the artwork developed for continuing use on the product line. Therefore, redesign and retooling are an added cost for existing products. For a committed partner with more than a hundred variations of package design, label removal is a significant task. Moreover, the program promotions – encouraged by the ENERGY STAR program as important for full partnership – must also be revised, customers notified, and marketing plans modified to reflect termination of program participation.

The ENERGY STAR program must provide adequate time for a partner to unwind participation in the program. It is not reasonable or fair to encourage full involvement of a partner through promotions, labeling, website content, and customer information and then require a partner to undo that involvement over a short timeframe. Under such practice, the most committed partner is the most punished by a change in the program.

C. Recommendations

Motorola has recommendations for addressing the issues raised by the upcoming change in the program.

1. Tiered approach.

The ENERGY STAR program is a successful program to promote energy efficiency. That success means that current gains should be preserved as the program progresses toward new goals. One way to accomplish that would be to adopt the practice – used by the EU Code of Conduct – of applying changes to new products but permitting existing products to continue to ship under the rules in existence when they were introduced. Under this approach, currently shipping product would be designated with a Roman numeral IV, and, therefore, clearly distinguishable from product meeting the new goals.

2. Predictable change periods.

Going forward, the ENERGY STAR program needs to have predictable periods for program revisions so manufacturers can plan for anticipated changes. This approach would reduce the disruption caused by arbitrary revisions to the specification. In addition, there needs to be adequate time during these change periods for partners to



either make the necessary changes under the new goals or unwind participation in the program.

3. Adequate time for adopting proposed changes

The currently proposed seven to eight months is simply not adequate for the design and manufacture of chargers under the new specifications. We strongly urge that the timeframe be worked out with the ENERGY STAR partners. A range of eighteen months to two years would be a reasonable starting point for discussion.

D. Conclusion

The ENERGY STAR program is an important program that provides direction and incentives for manufacturers to develop ever more energy efficient products. A key to ongoing participation for major providers of mobile phone EPS product is adequate time for making product changes under the program. Moreover, the structure of the program needs to be revisited in light of its success in order to preserve current gains as the goalposts are moved further out. A tiered approach, permitting continued labeling of existing products while requiring new products to meet the new standard, would be an effective means of preserving gains. Predictable change periods are also needed in order to provide major partners with the ability to do effective planning for changes in the program. Finally, reasonable timeframes are needed for meeting ENERGY STAR specifications once they are finalized.

Motorola appreciates the opportunity to provide these comments on the ENERGY STAR program and would welcome further dialogue.

Regards,

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