

Memorandum of Understanding (MOU) between
The United States Environmental Protection Agency
and

I. Common Agreements and Principles

- A. This is a voluntary agreement between (AENERGY STAR[®] Partner" or "Partner") and the United States Environmental Protection Agency (EPA), by which joins the ENERGY STAR Program. The terms of this MOU shall apply to a variety of consumer audio and Digital Versatile Disc (DVD) products (as specified in Section IV.C., below) sold by the Partner under its own brand name(s).
- B. ENERGY STAR Partner and EPA agree that the primary purpose of the ENERGY STAR Program is to promote the use of energy-efficient products by consumers, thereby potentially reducing combustion-related air pollution.
- C. ENERGY STAR Partner and EPA agree that the use of energy-efficient products reduces household energy bills and increases profits and competitiveness for businesses.
- D. ENERGY STAR Partner and EPA agree that the ENERGY STAR Program may also improve or enhance the products' useful lifetime, customer satisfaction, and overall product quality.
- E. ENERGY STAR Partner and EPA agree that publicizing the ENERGY STAR Program is important to demonstrate the following: the concern of the Partner for the environment, the vitality of the free enterprise system in reducing costs, and the capability of voluntary programs to achieve environmental goals.
- F. ENERGY STAR Partner and EPA agree that the integrity of the ENERGY STAR Program and the ENERGY STAR logo depend on consumer recognition of the ENERGY STAR logo as a means of identifying products in a particular market that are more energy efficient than conventional products. Therefore, ENERGY STAR Partner and EPA will work together to revise the technical specifications as necessary to ensure that only the most energy-efficient products qualify for the ENERGY STAR logo.
- G. ENERGY STAR Partner and EPA agree that maintaining public confidence in the ENERGY STAR Program is critical to achieving the shared goals of the Partner and EPA.
- H. ENERGY STAR Partner and EPA agree that membership in the ENERGY STAR Program is essential to the cooperative effort needed to achieve the shared goals stated above.

II. Definitions

- A. Consumer Audio and DVD Products: To qualify, these products must draw current from a building's AC power electrical outlet via a power cord or via an AC power adapter that is shipped with the product. Also eligible are those products that have a power switch to interrupt the current flow from the power line and perform no operating functions except in active mode. This MOU does not cover professional, automotive, or solely battery-powered products. For a list of eligible consumer audio and DVD product categories, refer to Section IV.C.
1. Consumer Audio Product: A commercially available electronic product encased in a single housing whose intended purpose, other than providing non-video status displays, is the production or recording of signals in the audio domain as reproduced by headphones, loudspeakers, or other transducers.
 2. Digital Versatile Disc (DVD) Product: A commercially available electronic product encased in a single housing whose intended purpose is the production or recording of digitized video signals on a spinning reflective disc media.
- B. Standby Mode: The mode in which the product is connected to the power source, is possibly producing status information or time readout, is waiting to be switched to the active mode, and produces/records no video or audio signal (either directly audible, or audible as reproduced by headphones, loudspeakers, or other transducers). The product may exit the standby mode through an automatic timer activation, direct activation by the user, or a remote control command from the user. In standby mode, the product is substantially shut down but may continue to perform some functions (e.g., remote control sensing and clock).
- C. Active Mode: The mode in which the product is connected to a power source and is producing or recording signals in the video domain and/or audio domain as reproduced by headphones, loudspeakers, or other transducers. The power requirement in this mode is typically greater than the power requirement in standby mode.
- D. Disconnect: The mode in which the product is disconnected from all external power sources.

III. Entry into Force and Duration

- A. Both parties agree that this MOU shall become effective when signed by both parties. At that time, the Partner may begin to qualify products according to Section IV.D., below.
- B. Both parties agree that as technologies and markets change, it may become desirable to revise the specifications and/or product categories contained in this MOU. The ENERGY STAR Partner and EPA agree to work together to revise the specifications and/or product categories in the MOU if and when changes in technology and/or markets make these revisions desirable and necessary. ENERGY STAR Partner and EPA also agree that a reasonable effort should be made to consider the ideas and opinions of all ENERGY STAR Home Audio and DVD Partners and other interested parties when revising the specifications contained within this MOU.

Revisions to this Memorandum of Understanding will not be accepted.

- C. Both parties agree that any product model that qualifies for the ENERGY STAR logo may continue to bear the ENERGY STAR logo until the model is phased out of the market, as long as the Partner continues its participation in the program and the product model continues to meet the specifications under which it was originally qualified (i.e., new specifications will not apply retroactively to previously qualified products).
- D. Both parties agree that this agreement can be terminated by ENERGY STAR Partner or EPA at any time, and for any reason, with no penalty. However, both parties agree that termination for noncompliance would only occur in accordance with the procedures of Section VII., below.

IV. ENERGY STAR Partner's Responsibilities

A. Reading and Understanding Logo Use Guidelines

ENERGY STAR Partner affirms that it has read, understands, and will abide by the Guidelines for Proper Use of the ENERGY STAR[®] Name and International Logo (Attachment A).

B. Appointment of Liaison

ENERGY STAR Partner agrees to appoint a responsible company representative as the liaison with EPA for the ENERGY STAR Program and to notify EPA within one month of any change in liaison responsibility. (See Attachment B.)

C. Types of Qualifying Products

For the purposes of this MOU, ENERGY STAR Partner agrees that consumer audio and DVD products include the following: cassette decks, CD players/changers, clock radios, DVD products, equalizers, laserdisc players, mini- and midi-systems, minidisc players, powered speakers, rack systems, stereo amplifiers/pre-amplifiers, stereo receivers, table radios, and tuners.

D. Specifications for Qualifying Products

ENERGY STAR Partner agrees that only those products listed in Section IV.C. that meet the specifications outlined below may qualify as ENERGY STAR compliant.

Product	Phase I Standby Mode	Phase II Standby Mode
Consumer Audio Products	≤ 2.0 Watts	≤ 1.0 Watt
DVD Products	≤ 3.0 Watts	≤ 1.0 Watt

1. Phase I

The first phase of this program, Phase I, shall commence immediately and conclude on December 31, 2002. Upon signing this MOU, the Partner may begin to use the ENERGY STAR logo on product models, packaging, or other product-related materials that meet Phase I specifications.

2. Phase II

The second phase of this program, Phase II, shall commence on January 1, 2003.

Specifications for Phase II shall apply to products that the Partner begins to ship after December 31, 2002. However, once an individual product model is qualified by the Partner as ENERGY STAR compliant, the model, packaging, or other product-related materials may continue to bear the ENERGY STAR logo until the model is phased out of the market (i.e., the Phase II specifications will not apply retroactively to models previously qualified under Phase I specifications).

E. Number and Labeling of Compliant Products

ENERGY STAR Partner agrees to market one or more product models that meet the specifications outlined in Section IV.D., above. Within two years of signing this agreement, the Partner must ensure that the ENERGY STAR logo appears directly on at least one ENERGY STAR-compliant product model (i.e., the logo must be visible on the product itself). This is necessary to ensure that compliant products are easily recognizable in the marketplace when EPA is promoting the program to news media or directly to consumers. In addition, the Partner agrees to include ENERGY STAR information in industry media kits and at promotional events when appropriate.

F. Product Testing

The Partner agrees to perform tests according to the criteria specified in Section IV.G., as necessary, to determine which of its product models comply. Based on the results of these tests, the Partner shall self-certify those product models that it determines are compliant with the specifications outlined above. The Partner may submit information to EPA on compliant product models on a voluntary basis.

G. Power Measurement

The power requirement shall be measured from the outlet or power supply source to the product under test. The Partner shall measure the average true power (in watts) of the product. When a Partner is performing measurements to self-certify a product model, the products under test must be in the condition (e.g., configuration and settings) shipped to the customer. See Testing Guidelines for the ENERGY STAR[®] Home Electronics Program (Attachment C).

H. Customer Education

1. Identification of Qualifying Products in the Marketplace

ENERGY STAR Partner must ensure that consumers have a quick and easy method of determining which of its products are ENERGY STAR compliant. To achieve this goal, EPA recommends that the Partner place the ENERGY STAR logo on all qualified product models, their packaging, and product-related materials such as brochures, manuals, and advertisements.

2. Product Literature

Consumers must be able to identify and understand the energy-saving characteristics of the product models that the Partner qualifies as ENERGY STAR compliant. Accordingly, the Partner agrees to provide general information to consumers regarding the ENERGY STAR status of its products that may include one or more of the following: a description of the ENERGY STAR Program, a discussion of the energy-saving characteristics of the product, a description of the environmental benefits that result from the energy saved by the product, and/or a description of the potential energy-bill savings of the product. The Partner may

determine the best manner to disseminate this information to customers.

I. Employee Education

ENERGY STAR Partner agrees to provide information about the ENERGY STAR Program to all of its employees whose jobs are relevant to the development, marketing, sales, and service of ENERGY STAR-compliant products. This is necessary to ensure that these personnel are familiar with the goals and operational aspects of the program.

J. Endorsement

ENERGY STAR Partner agrees that it will not construe, claim, or imply that its participation in the Program constitutes EPA approval, acceptance, or endorsement of anything other than the Partner's commitment to the Program. ENERGY STAR Partner understands that participation in the ENERGY STAR Program does not constitute EPA endorsement of ENERGY STAR Partner or its products. In addition, because EPA will not officially approve any individual test reports submitted by the Partner, the Partner may not include misleading statements in product literature or sales presentations that imply a product is approved or certified by EPA, e.g., the Partner shall not make claims such as "This CD player is EPA approved," "This CD player is EPA certified," or any similar statement intended to convey an EPA endorsement.

K. Energy-Saving Features and Product Performance

ENERGY STAR Partner agrees to ensure that the energy-saving features or design of the ENERGY STAR-compliant product will not interfere with or adversely affect the performance of the product.

L. Voluntary Actions

ENERGY STAR Partner agrees that the activities it undertakes connected with this MOU are not intended to provide services to the federal government and that the Partner will not submit a claim for compensation to any federal agency.

V. EPA's Responsibilities

A. Appointment of Liaison

EPA agrees to designate a single liaison point for the ENERGY STAR Program and to notify the Partner within one month of any change in liaison responsibilities. Please send the signed MOU and other correspondence to this person. (See Attachment B.)

B. Product Testing

EPA agrees to accept the certification by the Partner, whether it is self-determined or determined by an independent third party, that its qualifying product models satisfy the specifications set forth in this MOU. While this is a self-certifying process, EPA reserves the right to conduct tests on products bearing the ENERGY STAR logo from either the open market or other available sources, or voluntarily submitted by the Partner.

C. Consumer Acceptance

EPA agrees to make an effort to encourage consumer acceptance of products introduced under this agreement and bearing the ENERGY STAR logo.

Revisions to this Memorandum of Understanding will not be accepted.

D. Public Recognition

EPA agrees to provide the Partner with recognition for its public service in protecting the environment by performing analyses about the pollution prevented by corporate participants, and providing this and other program information to the appropriate news media for publication.

E. Consumer Education

EPA agrees to promote energy-efficient products, and to inform consumers about the ENERGY STAR Program and the ENERGY STAR logo by writing articles and/or by sharing information with the news media, where appropriate.

F. Public Service Advertisements

EPA agrees to work with the Partners to coordinate the placement of advertisements to promote energy-efficient products, educate consumers about the ENERGY STAR Program and logo, and provide the Partners with due recognition for their public service in protecting the environment.

VI. **Use of the ENERGY STAR Logo and Name**

A. Associating Logo with Qualifying Models

It is the responsibility of the Partner to associate EPA, the ENERGY STAR logo and name, and the ENERGY STAR Program only with those specific models that qualify under the terms and conditions of this MOU. **See Guidelines for Proper Use of the ENERGY STAR[®] Name and International Logo (Attachment A).**

B. ENERGY STAR Materials

EPA agrees to loan the Partner, at no charge, materials from which the Partner can reproduce the ENERGY STAR logo.

C. Referring to the ENERGY STAR Logo

Whenever the ENERGY STAR logo is used, the Partner agrees that it shall be accompanied by the following statement: "As an ENERGY STAR[®] Partner, has determined that this product meets the ENERGY STAR[®] guidelines for energy efficiency." The Partner may place this statement in the user's manual when the ENERGY STAR logo is applied directly to the product or product packaging. **See Guidelines for Proper Use of the ENERGY STAR[®] Name and International Logo (Attachment A).**

D. Registered Marks

ENERGY STAR Partner understands that the ENERGY STAR[®] name and the ENERGY STAR logo are registered marks of the United States Environmental Protection Agency, and are subject to the provisions of Title 15, Chapter 22, United States Code, the various state laws applicable to trademarks, and this Memorandum of Understanding. As such, the Partner shall note this registered status, as appropriate. This includes: (a) expressing the ENERGY STAR name in all capital letters (It is also appropriate to use a slightly larger point size for the first letter of each word, e.g., twelve point for the E and S, and ten point for the other letters. This is otherwise known as "small caps" in word processing software.), and (b) including the registered symbol,[®] *each time* the ENERGY STAR name or logo appears in a brochure, poster, advertisement, or other document (i.e., ENERGY STAR[®]).

The registered mark statement "ENERGY STAR is a U.S. registered mark" may also be used *in addition* to the registered symbol to indicate the registered status of the mark. **See Guidelines for Proper Use of the ENERGY STAR[®] Name and International Logo (Attachment A).**

E. Endorsement

Under no circumstances shall the ENERGY STAR name or logo be used in a manner that would imply EPA endorsement of the Partner, its products, or its services.

F. Altering Logo

ENERGY STAR Partner agrees not to alter the ENERGY STAR logo except in the ways described in the Guidelines for Proper Use of the ENERGY STAR[®] Name and International Logo (Attachment A).

G. Termination of Agreement

If either EPA or the Partner terminates this Agreement, the Partner will no longer be entitled to apply the ENERGY STAR logo to newly manufactured products, and will no longer make reference to the ENERGY STAR Program in a way that implies continuing involvement in the program. Any products bearing the logo that have been shipped by the Partner prior to program termination, and are no longer in the Partner's possession (e.g., products on display or inventoried by retail stores or distributors), may continue to bear the logo.

VII. Conflict Resolution

A. Good Faith Principle

Each party agrees to assume good faith as a general principle for resolving conflicts under the ENERGY STAR Program.

B. Notification of Problems

Both parties agree to notify each other informally if any problems or issues arise and to work together to provide maximum public confidence in the program.

C. Procedure for Addressing Non-Compliant Products

1. If EPA receives information that one or more products certified by the Partner as ENERGY STAR compliant may not meet all of the terms of this MOU, EPA will immediately notify the Partner and attempt to address and resolve the problem informally.
2. If informal discussions do not produce a mutually agreeable resolution, EPA will notify the Partner in writing that it will terminate this agreement and thereby end the Partner's participation in the program unless the Partner undertakes specific corrective actions sought by EPA. The Partner agrees to reply to EPA in writing within 20 business days of receiving EPA's letter. At that time, the Partner shall agree to do one of the following: (a) undertake in a timely and effective manner corrective actions sought by EPA; or (b) voluntarily terminate this agreement. If the Partner does not respond to EPA's letter within 20 business days, or responds but does not agree to either (a) or (b), this agreement is terminated.

D. Notification in Writing

If ENERGY STAR Partner believes that EPA is not meeting all of its commitments, the Partner agrees to notify EPA formally in writing. EPA agrees to respond in writing within 20 business days of receiving ENERGY STAR Partner's letter. At that time, EPA will do one of the following: (a) undertake the corrective actions sought by the Partner, or (b) explain why such corrective actions cannot be undertaken.

VIII. Freedom of Information Act and Confidential Business Information

Both parties understand that information provided by the Partner to EPA will be treated pursuant to EPA's public information regulations under 40 Code of Federal Regulations, Part Two.

IX. Signatures

The undersigned hereby execute this Memorandum of Understanding on behalf of their parties. The signer of this agreement affirms that he/she has the authority to commit the Partner to participation in the ENERGY STAR Home Audio and DVD Program.

For the U.S. Environmental Protection Agency (EPA):

Signature: _____ Date: _____

Name: Paul M. Stolpman

Title: Director, Office of Atmospheric Programs

For :

Signature: _____ Date: _____

Name: _____

Title: _____

Revisions to this Memorandum of Understanding will not be accepted.

ATTACHMENT A

Add Logo Use Guidelines Here.

ATTACHMENT B

Please complete and return with the signed Memorandum of Understanding.

EPA Contact:

Mailing Address

Stephan Sylvan
Manager, ENERGY STAR Home Electronics
U.S. EPA
Mail Code 6202J
401 M Street, S.W.
Washington, DC 20460

Overnight Delivery Address:

Stephan Sylvan
Manager, ENERGY STAR Home Electronics
U.S. EPA
501 3rd Street, N.W.
Washington, DC 20001
Phone: (202) 564-9307; Fax: (202) 565-2134

Partner's Contacts:

Primary Contact (to receive all program administrative materials):

Name:
Title:
Company:
Address:
City, State, ZIP:
Telephone Number:
Fax Number:
E-mail Address:
Location of U.S. Headquarters:

Marketing/PR Contact (to receive promotional/marketing materials and information):

Name:
Title:
Company:
Address:
City, State, ZIP:
Telephone Number:
Fax Number:
E-mail Address:

Customer Service Contact (to be given to public for further information on products):

Telephone Number:
Fax Number:
Web Site:

Revisions to this Memorandum of Understanding will not be accepted.

ATTACHMENT C

Add Testing Guidelines Here.