

American Fluorescent Corporation Comments on ENERGY STAR Program Requirements for Residential Light Fixtures Draft 2 Eligibility Criteria – Version 4.0

We have reviewed your recently received Draft 2 V4.0 for Energy Star qualified fixtures eligibility criteria. We agree with the changes and modifications made to the draft. We would however like to comment on the following points:

1- We first want to repeat our request (presented previously in response to Draft 1) to exempt portable corded shoplights from the replaceable ballast provision. In addition to this fixture type we wanted to add that certain low price commodity fluorescent undercabinet fixtures (usually portable and modular) are also available with non replaceable ballasts. This replaceable ballast provision would also adversely affect this high volume low cost fixture category.

2- Second, under the Energy Star fixture requirement section. American Fluorescent Corp. cannot accept the criteria that all Energy Star fixtures must be shipped with lamps. Even with the exceptions, as the Lamp Shipment Requirement is now written it is unacceptable. Although we have overlooked this provision in the first draft, upon review we feel that this provision severely limits our ability to sell energy efficient lighting in several of the markets we serve. Also we feel that this provision would hinder the widespread introduction of decorative fluorescent fixtures into the market for other manufacturers also.

We understand the purpose of this provision and we agree with the intent. We do want to lessen the confusion about CFL lamps and we do want to make it easier for consumers to get the correct lamp and get a quality Energy Star rated lamp when they purchase their fixtures.

However the reasons that this requirement will cause lighting manufacturers difficulties are as follows:

A- Different Market Demands : We currently do offer several of our fixtures with lamps (in the fixture box). However we serve several markets with the same fixture. For residential showrooms including lamps is in many cases fine, however we also sell the same fixture to the contract/ commercial market.

1- In this market we cannot predict the lamp color temperature that will be required or specified on a job, and we can't know what lamp to include in the box.

2- we cannot stop contractors or electrical distributors from wanting to make additional profit from selling their own lamps to the job,

3- we cannot compete on a cost basis with commercial fixtures that are similar to ours but that do not have the residentially oriented Energy Star label. These fixtures are generally quoted on job bids to be provided without lamps, we would never be able to quote on a similar basis as many of our competitors.

B- Competition in Tight Margin Markets: In several markets like lighting showrooms and homecenters we compete on very tight price points. Obviously if we are competing against other fluorescent fixtures the lamp requirement would not matter. However it is our desire for our decorative fluorescent fixtures to compete against other incandescent fixtures. In this case incandescent fixtures always have a price advantage since their price is always quoted without lamps. If the fluorescent ballast technology comes significantly down in price, we may be even able to be close in cost with these incandescent fixtures. The addition of lamp costs in the

fluorescent price unfairly raises our selling price and influences many consumers to buy incandescent fixtures and not to even consider the potential of fluorescent. It goes without saying that consumers are very influenced by price. This makes it more difficult for fluorescent fixtures to breaking into traditional incandescent fixture areas.

C- Demands by our retail customers: Many of our customers have traditionally not wanted us to provide lamps with our fixtures because they wanted to make additional profit from lamp sales. In the homecenter area they feel that they can deliver the lamps to the consumers at a lower price than we can (due to their buying power) and they also want to get the consumer used to buying new and replacement lamps from them.

Our Suggestion is to revise the requirements of the provision but not the intent. It is our feeling that it is to soon to move the entire industry to have to include lamps in every non linear Energy Star fixture. Instead we would prefer an alternative approach.

We would like the provision to require that the indicated fixtures either; must be shipped with a lamp, or the required Energy Star rated lamp has to be available, and be an option which the customer can purchase from the manufacturer (at the time of the sale of the fixture).

Additionally we would support packaging requirements to list the specific lamps and lamp characteristics for each energy star fixture on each package (similar to the standards written into this current eligibility criteria draft).

Please carefully consider the points above. American Fluorescent strongly supports Energy Star and its efforts, however we must find every opportunity to grow our sales, if these new regulations have a negative impact in the salability of our fixtures in different markets then we will all lose in the end. We hope to find a compromise that will allow us to easily transition into these new eligibility criteria. We feel that the above suggestions will make it easier for us and other manufacturers to promote an increasing number of new Energy Star labeled fixtures into many markets.

Thank you for your consideration,

Stephen Blackman
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