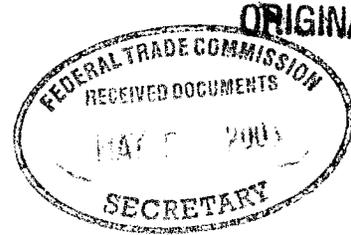


May 2, 2003

Secretary, Federal Trade Commission
Room H-159
600 Pennsylvania Ave N.W.
Washington DC 20580



RE: April 3, 2003 Federal Register Notice Regarding Proposed Changes to the "Appliance Labeling Rule" for Clothes Washers (16 CFR Part 305)

Dear Secretary:

The Association of Home Appliance Manufacturers (AHAM) submits the comments below in response to the FTC Federal Register notice of April 3, 2003 regarding proposed changes to the Appliance Labeling Rule for clothes washers. AHAM is a trade association representing the manufacturer's of major home appliances, including those exporting into the U.S. Our members represent the companies that ship over 95% of all clothes washers sold in the U.S.

AHAM fully supports the proposals in this Federal Register notice regarding:

- 1) a conditional exemption to allow early energy labeling of washers between May 1 and December 31, 2003 under test procedures outlined in 10 CFR part 430, subpart B, Appendix J1, and
- 2) allowing minor modifications to the format and content requirements in 16 CFR 305.5(a) and 305.11(a), and
- 3) if the above conditional exemptions are granted, to make permanent the above labeling changes.

Below are questions that were posed by the Commission in the notice, followed by our responses:

- 1) Should the Commission grant the requested exemption and permit manufacturers to begin testing and labeling clothes washers to the new J1 test in 2003?

Answer: Yes. Early compliance with J1 labeling requirements in 2003 is critical to the efficiency of testing and production as the industry transitions to the new washer energy standards by the end of 2003. There is far too much work associated with the double testing (both J and J1) of all new washer models in the remaining months of 2003.

- 2) Are there alternatives to the proposed conditional exemption and rule change that would better accomplish the same objectives?

Answer: No.

- 3) Are there differences between the results, yielded by the new J1 and old J tests, significant enough to warrant special advisory language on the Energy Guide labels?

Answer: There are differences in the test results of J1 versus J test protocols that are significant enough to warrant inclusion of AHAM's proposed language change on these new labels. However, time is of the essence and we urge the Commission to avoid any further special advisory language that could delay the timely implementation of AHAM's proposed changes.

- 4) Are the differences unbiased. Or does one test yield consistently higher or lower results than the other?

Answer: Typically, the J1 test protocol yields test results that are lower than the older J test procedure. The differences could be as much as 40%.

- 5) If the Commission grants AHAM's exemption request, should the Commission amend the rule to incorporate label changes as a permanent requirement?

Answer: Yes. By so doing, this should eliminate consumer confusion over time and avoid compounded confusion if we were to go back to the old "J" label that exists today. Moreover, we are not aware of any pending or planned changes to the J1 standard, which could impact the minimum compliance numbers allowed, nor are we aware of any issues which will substantially change the label numbers.

- 6) Are AHAM's proposed changes to the label, such as the content, size and placement of the modified language on the EnergyGuide, appropriate?

Answer: Yes. This language will assist consumers without causing "undue" confusion. Also, there will be considerably less need for dealers to "refloor" model units and therefore less confusion for energy-conscious consumers when selecting new appliances. Moreover, there will be no need to swap labels on sales floors, a situation that could lead to mistakes and further confusion. In addition, consumers will not be confused by identical models having different energy consumption values. The reference to "2004 test procedure" is far better than saying "J1 test procedure" as consumers will have no clue what J1 means. It is not necessary to include explanatory language on both the top and the bottom. That would be redundant to discriminating, energy-conscious consumers. No other changes need to be made to this label other than those proposed by AHAM. **The size of the label should remain the same as the current EnergyGuide label, and not be increased as proposed in the notice.**

- 7) Would the implementation of AHAM's proposal cause consumer confusion for those units with EnergyGuide labels adjoining energy labels required by Mexico or Canada.

Answer: No. The EnergyGuide label is clearly discernable from that of Mexico or Canada. For example, the EnergyGuide label is the only one of the three that is entirely in English. The others either have Spanish entirely or a mix of English and French. Moreover, the format of the Mexican and Canadian labels are different. The EnergyGuide label clearly states that the results are based on U.S. government standard tests. In addition, the J1 label makes it clear this label is only to be compared with other labels bearing the same message. Last, the FTC at least partially addressed this issue in June, 1996 (61 FR 33651-3). In that year, the Commission declared "unanimous support" to permit the placement of energy use labels required by the Canadian and Mexican governments in a location "directly adjoining" the Rule's required EnergyGuide label.

- 8) Are the conditions under which the Commission proposes the exemption appropriate?

Answer: Yes.

9) What would be the economic impact on manufacturers of the proposed exemption, each of the proposed conditions for use of the exemption and the proposed rule.

Answer: There would be no additional burden on manufacturers by the Commission's timely implementation of the conditional exemptions.

10) What would be the benefits of the proposed conditional exemption and the proposed rule?

Answer: The conditional exemption and proposed rule would assist manufacturers in meeting Department of Energy efficiency standards by 1/1/04, and would encourage earlier compliance with the new standards.

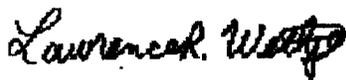
For all the above reasons, we urge prompt implementation of the proposed conditional exemption to permit early labeling per the J1 test procedure along with the proposed label changes.

Thank you for the opportunity to comment. For further information please contact:

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Sincerely,



Lawrence R. Wethje