

July 24, 2006

Federal Trade Commission/
Office of the Secretary
Room H-135 (Annex J)
600 Pennsylvania Avenue, NW
Washington, DC 20580

Re: **AHAM Comments on FTC Proposed Consumer Research on the
Appliance Labeling Rule: No. P064200**

Dear Secretary Clark:

On behalf of the Association of Home Appliance Manufacturers (AHAM), I would like to comment on the Federal Trade Commission's (FTC) proposal to conduct consumer research on the *EnergyGuide* label.¹ AHAM is the trade association representing the manufacturers of major, portable and floor care home appliances, and suppliers to the industry.

As we have stated in previous communications to the Commission, AHAM believes that any consumer research on the *EnergyGuide* label must be conducted in a manner that surveys a nationally representative sample of consumers. Accordingly, we support the FTC's proposal and, importantly, its consideration of AHAM's consumer research. We also support the selection of the nationally-recognized research firm, Harris Interactive, to conduct this study.

As demonstrated by AHAM's consumer research, we believe that the continuous-style label format best serves consumers and enables them to make informed decisions in their purchase of appliance products. We look forward to the FTC's research results on this issue. However, we have several comments.

First, in order to best determine which label is best understood by consumers, we believe the sample size of each cell should be increased from 300 to 400 participants. As there are ten variables to be considered, a larger sample size will demonstrate more accurately which label is preferred by prospective and past appliance purchasers.

Second, the FTC is proposing to test a label design that merges the different refrigerator categories into one label and one category. As we have previously stated, AHAM is opposed to this option since each refrigerator design provides different product features and a range of energy saving. Previous research has shown that consumers rank design as a major factor when purchasing a refrigerator and by merging all of the

¹ Agency Information Collection Activities: Comment Request, 71 Fed. Reg. 36,088 (June 23, 2006).

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categories, it would be more difficult for consumers to compare the different refrigerator model designs available.

Lastly, we have concerns with the inclusion of the "no label (pure information)" condition. This approach appears to be beyond the scope of the FTC's consumer research project as it does not derive from the current label design. The Commission's mandate is to determine the effectiveness of the current label and alternative designs, not to embark on a process to create a new label from scratch.

AHAM appreciates the opportunity to share our comments and we look forward to continuing our work with the Commission.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Hudgins".

Chris Hudgins
Manager, Government Relations

cc: Office of Management and Budget