

To: Kathryn Kaplan

From: Jim Palumbo, Plasma Display Coalition

Re: ENERGY STAR Version 5 Effective Date

The Plasma Display Coalition and its members understand and agree with the EPA's determination to maintain ENERGY STAR market relevance. However, while the early implementation of Version 5 will eliminate many models which qualify in early 2011, we believe moving the Version 5 effective date to July 1, 2011 does not accomplish the goal of making the logo more relevant. In fact, it jeopardizes the character and continuity of the Energy STAR program itself by causing consumer confusion and disruption.

We make the following comments and recommendations regarding the EPA's desire to move up ENERGY STAR Version 5 from May, 2012 to July, 2011.

1. Over the past several years, manufacturers have been introducing new models earlier in the calendar year. The July 1, 2011 proposed date for the start of Version 5, does NOT "align with manufacturing production cycles" as stated in the Energy Star letter of November 23, 2010. In fact, this date is in the middle of the 2011 model year. By July most new models are in the market and on display at retailers. Those new models introduced and manufactured in the January to June time frame may carry the Energy Star logo under Version 4. Moving up Version 5 to July 1, 2011 would, under the terms of Energy Star, necessitate removing the ENERGY STAR logo and all references from those models on literature, boxes, web sites, etc. To have a model carry the Energy Star logo in June 2011 and suddenly the same model be void of the logo in July 2011 is confusing to consumers, retailers and costly to manufacturers. For example, with up to 120 day pipeline inventory levels, models manufactured in June which carrying the ENERGY STAR logo on the product and the box, will arrive in retailers in the middle of July through August. With a 60 day retail inventory level, it is probable those models carrying the logo will be in inventory in October of 2011, alongside the same model number, manufactured in July, which does not carry the logo. To avoid this costly confusion, it is highly recommended Version 5 NOT begin on July 1, 2011 rather moved to February 1, 2012. This February, 2012 date coincides and aligns nicely with the new 2012 model year and provides manufacturers enough time for logical preparation without incurring cost and logo implementation changes, such as demo modes, POP, websites, etc. in addition to inventory management difficulties. It should not be the intention of the EPA to force manufacturers to change all marketing materials and business plans in the middle of the model year.
2. An EPA decision to move Version 5 implementation to July 1, 2011 in the middle of the model year may reduce revenue and profitability for both manufacturers and retailers. Having inventory of the same model # in the market, one with and one without the logo devalues the unit without the logo and may lead to unnecessary retail and/or manufacturer markdowns, retail stock and inventory adjustments and further confuse consumers. Consumers who shop and educate themselves on-line in June, 2011 for example, will see the logo on a product of interest. Shopping with the

intent to purchase that model # in July, absent a ENERGY STAR logo, will certainly cause unnecessary confusion, elicit questions which there is really no clear answer.

3. In the past, a 9 month implementation time frame was allowed for timely execution of ENERGY STAR. This sudden proposal to change the implementation of Version 5 to satisfy those few interested parties and stakeholders who seek, possibly, competitive advantage is not appropriate and should not be the intention, nor have the support of the EPA. The EPA must acknowledge and consider there are over 3,000 retail consumer electronic store fronts, both independent and chain stores, in addition to on-line retailing. All may be unnecessarily burdened with confusion by a decision to move up the Version 5 implementation date!
4. EPA has established highly challenging energy goals! This most competitive TV industry has exceeded those goals and in many cases in a shorter period of time. This is an extremely positive response to EPA's on-mode initiative and consumers desire for more energy efficient products. We know of no industry which has accomplished as much energy reduction in such a short period of time. Further, we emphasize that today's television are far more efficient, in some cases 60% more efficient than models of 5 years ago. Even a consumer replacing an old 36" tube TV with a new 42" plasma uses 60%+ less power. Several models under Version 4 are meeting ENERGY STAR's strict standards and consumers who purchase those models with the ENERGY STAR logo can feel confident they are purchasing more highly efficient models than 5 years ago and are meeting/exceeding ENERGY STAR's strict standards. Therefore, we see no reason to disrupt the current Version 5 plan simply to reduce the number of very energy efficient models displaying the ENERGY STAR logo.

We believe it is in the best interest of the industry and consumers and the continuity of the ENERGY STAR program that July 1, 2011 not be the effective date of Version 5, rather we believe the EPA will capture 100% support with a February 1, 2012 Version 5 implementation date.

Sincerely

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