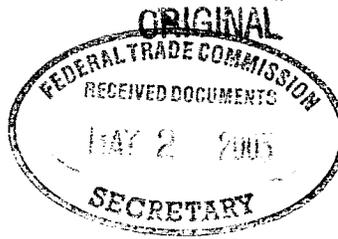




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April 30, 2003

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



Subject: 16 CFR Part 305 – Appliance Labeling Rule - Public Comments

Alliance Laundry Systems LLC manufactures covered clothes washers under the Speed Queen and Huebsch and Unimac brands and sells them into the multi-housing market and through government agency and military bids. These are our comments to the questions by the Commission listed in the April 3, 2003 Federal Register for the proposed amendment and conditional exemption.

1.) QUESTION: "Should the Commission grant the requested exemption and permit manufactures to begin testing and labeling to the new (J1) test in 2003. Are their alternatives to the proposed conditional exemption and rule change that better accomplish the same objective?"

COMMENT: Yes, the Commission should grant the request.
We are not aware of better alternatives.

2.) QUESTION: "Are the differences between the results yielded by the new (J1) and the old (J) tests significant enough to warrant special advisory language on the EnergyGuide labels? Are the differences unbiased, or does one test yield consistently higher or lower results than the other?"

COMMENT: Yes, there exist significant differences in test results. The following shows actual test results of a model we manufacture today that is compliant to the Jan 1, 2004 DOE Energy Standard. The label "primary descriptor" (kWh/ year) values are as follows:

<u>J Test (older)</u>	<u>J1 Test (newer)</u>	<u>% Difference</u>
890 kWh/yr	1,172 kWh/yr	24%

It is quite apparent that that the "newer" value is significantly higher than the "old". This type and approximate percent differences occur consistently.

3.) QUESTION: "If the Commission grants AHAM's exemption request, should the Commission amend the rule to incorporate label changes as permanent requirement?"

COMMENT: Yes, the exemption should be made a permanent amendment. This avoids burden on manufacturers, to change the label format a second time in a short period of time. If the Commission required manufacturers to return to the existing format with no banner on effective date of DOE Standard January 1, 2004, then the Commission would violate federal act "NAECA", requiring the Commission to require new labels "not more often than annually".

4.) QUESTION: "Are AHAM's proposed changes to label, such as the content, size and placement of the modified language on the EnergyGuide, appropriate? Will the proposed language on the EnergyGuide label help consumers in their purchasing decisions or will it cause undue confusion? Will the reference to the year "2004" on the label create confusion in subsequent years if the proposed change becomes a permanent fixture on the label? Should the explanatory language be required on both the top and bottom of the label?"

COMMENT: Yes, the proposed changes are appropriate. We believe consumers will be helped in their purchasing decisions. It provides information as to why they would see a significantly higher value of the primary descriptor on the exact same model of clothes washer. That scenario occurs when one was produced under the old (J) test procedure and existing energy standard, and one under the new (J1) test procedure required with the 2004 energy standard. We do not believe consumers will be

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confused by seeing labels with "2004" in banner in subsequent years. We believe the explanatory language is only necessary in the top banner location.

5.) QUESTION: "Are there additional, or different changes that should be made to the label related to AHAM's request?"

COMMENT: 1.) We request that the size of the label length remain the same as the existing 7 3/8 inch length, and not increase to 8 inches in length. This can be accomplished by not incorporating the proposed text in the middle of the label that is basically redundant to the proposed text in the top "banner".

2.) We believe no additional changes should be considered at this time. The transition period is already upon the manufacturers and precious time can not be devoted to entertain other lengthy debatable proposals. Manufacturers need to start labeling using the proposed revised label as they roll-out new models with factory production start-ups, of at-least-six-months in advance of January 1, 2004 revised DOE Clothes Washer Minimum Standard.

6.) QUESTION: "Would either of the following alternatives be preferable to the language proposed by AHAM?"

Alternative 1: "This model has been Tested to the "J1" Test Procedure. Compare only with....."

Alternative 2: "This model has been Tested to the "Modified Energy Factor" Test Procedure. Compare...."

COMMENT: No. The use of "2004 Test Procedure" is far better than either alternative 1 or 2. Consumers have no clue what "J1" and "Modified Energy Factor" mean.

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

COMMENT: It is possible that some USA consumers will be confused, but we believe it will be far less than if the Commission does not inform consumers per the proposed exemption and rule amendment. We understand that Canada does not have as flexible of a process to change their label format and content quickly to be harmonized with USA. The Commission's first priority is to provide accurate information to US consumers, not withhold action or information because of potential impacts to consumers in neighboring countries. Recall, that for 14 years, prior to 1994, the US FTC EnergyGuide label used dollars/yr as the only descriptor, while Canada's EnerGuide label used kWh/yr. Significant consumer confusion was not apparent in either country, even though the ratings were far different.

8.) QUESTION: "Are the conditions under which the Commission proposes the exemption appropriate? Are there additional, or different, conditions that also would be appropriate?"

COMMENT: Yes, the conditions are appropriate. We are unaware of additional or different conditions.

9.) QUESTION: "What would be the economic impact on manufacturers of the proposed exemption, each of the proposed conditional exemptions for use of the exemption and proposed rule?"

COMMENT: Alliance Laundry Systems economic impact is significant, as we save seven days of laboratory testing and analysis and report-writing for each "basic-energy-model", of 1.) a new model that we will be introducing, or 2.) existing model that we will be continuing to produce, which are compliant to the January 2004 DOE standard. We currently have five (5) basic-energy-models. Thus, we save 35 working days of one laboratory technician dedicated to DOE energy testing. The time saved allows laboratory resources to be devoted to more productive endeavors for our customers. This will reduce significant burden on manufacturers.

10.) QUESTION: "What would the benefits of the proposed conditional exemption and the proposed rule? Who would receive those benefits?"

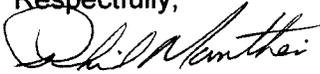
COMMENT: 1.) Remove burden from manufacturers to perform duplicate energy testing. The manufacturers and their customers would receive this benefit.
2.) Reduce consumer confusion, which will definitely occur when models appear on retail sales display floors, or on washers delivered to customers bearing a label that may show a value different than on label seen at store or in advertisement. Consumers receive the benefit of knowing to compare only models with the "banner" or "notice". Manufacturers receive the benefit of not having to devote resources to answering confused consumer inquiries.

11.) QUESTION: "What would be the benefits and economic impact of the proposed exemption, each of the proposed conditions, and the proposed rule change on small businesses?"

COMMENT: Same as listed in response to question 10.), and question 9.).

In summary, we **strongly support the proposed exemption and proposed rule change**, but request that the Commission **avoid lengthening the size of the label**, and keep it's size consistent with other covered products.

Respectfully,



Phil Manthei
Sr. Staff Engineer, Agency/Codes Approval

Cc: S. Spiller, Esq., V.P. Legal & Human Resources