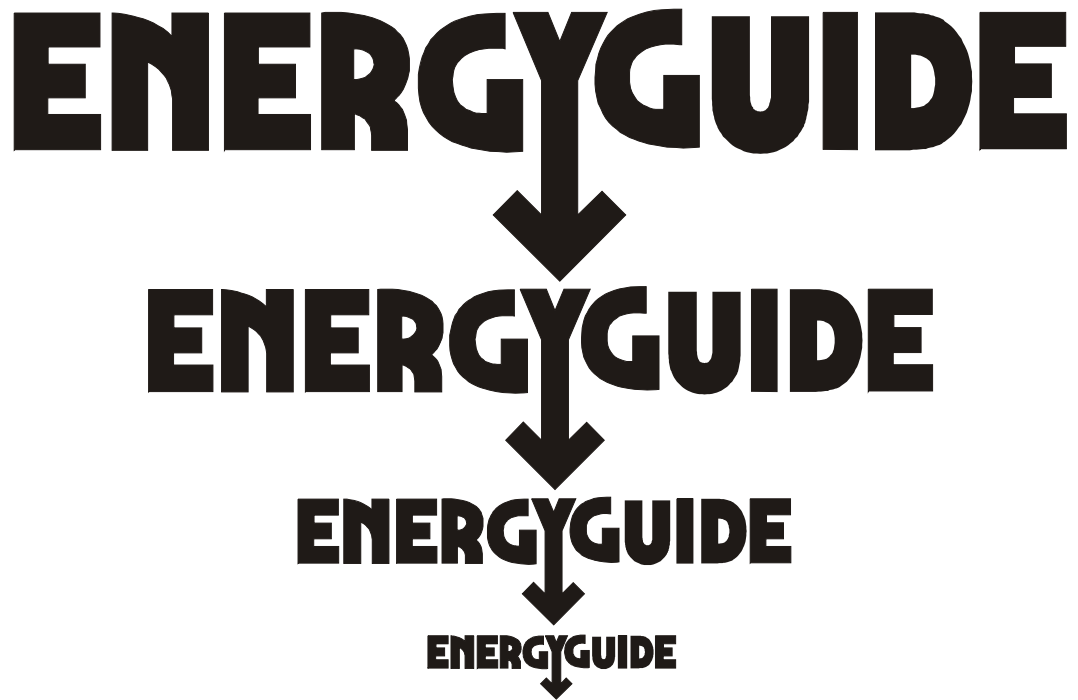


FTC FACTS for Business

Complying with the Appliance Labeling Rule:

A Guide for Retailers



Since 1980, manufacturers of certain appliances have been required to attach EnergyGuide labels to their appliances to give consumers important information about the energy use of the appliance. The labels must be hung on the inside of the appliance or secured to the outside. They are designed to help shoppers choose appliances that use less gas or electricity, cost less to operate and help protect the environment.

Facts for Business

The Federal Trade Commission's Appliance Labeling Rule requires EnergyGuide labels on:

- Refrigerators, freezers, dishwashers, clothes washers
- Water heaters, furnaces, boilers
- Central air conditioners, room air conditioners, heat pumps
- Pool heaters

Showroom Dealers

If you sell any of these appliances in a showroom, you are not permitted to remove the labels, cover them up or otherwise make them illegible. If a label should become detached from an appliance on your showroom floor – a more likely occurrence for hang tags than for labels adhered directly to the appliance – it's a good idea to reattach it.

In the case of central home heating and cooling equipment, the EnergyGuide label provides a summary of the more detailed energy efficiency and usage information that manufacturers are required to provide with their products through a fact sheet or industry association directory. You are required to provide this information to your customers.

Direct Marketers

No matter how complete a catalog or website may be, neither one allows a potential purchaser to walk up to an appliance and read the EnergyGuide label. The Appliance Labeling Rule has special provisions that require direct marketers to provide the same energy usage information for consumers, whether they shop via catalog or the Internet or in a physical showroom.

Catalog and online dealers are required to provide:

- the capacity of the particular model;
- for refrigerators, freezers, dishwashers, clothes washers and water heaters, the estimated annual energy consumption of the model;

- for air conditioners, heat pumps, furnaces, boilers and pool heaters, the energy efficiency rating; and
- the range of estimated annual energy consumption, or energy efficiency ratings, of comparable appliances.

This information is on the labels that the manufacturer attaches to the appliances. Manufacturers of furnaces, boilers, central air conditioners and heat pumps also have to give you the same information through fact sheets or an industry trade association directory.

If you sell appliances through a printed catalog, this information must appear on the same page as the description of the appliance.

If you sell appliances through a website, you may put this information next to the description of the appliance, or you may use a hyperlink to take the reader to another page that contains the required information. If you use a hyperlink, it should be:

- Next to the description of the appliance so that the reader will see it. The link should be clear and conspicuous, that is, easy to see and notice.
- Readily identified as a link. Use visual cues for the link: make it a different color than the surrounding text, underline it or incorporate a small graphic or icon. Using the same text style for all hyperlinks throughout your site will help the reader identify the link.
- Meaningful. It should give the visitor a reason to click on it. For example, labeling the link "Energy Efficiency Information" is more likely to bring a consumer to the link than a label that says "Legally Required Disclosures." Consider using a label and a yellow-and-black EnergyGuide icon [ENERGYGUIDE], which you can download from the FTC's website at www.ftc.gov/appliances
- A direct connection to the energy efficiency information. The link should go directly to the

page providing the information, not to an intermediate page that requires the reader to click again. In addition, the reader should not have to scroll down the screen to find the applicable information.

The Benefits

The FTC's Appliance Labeling Rule offers a valuable service to consumers. It helps them make educated decisions about their appliances by enabling them to compare purchase prices along with long-term operating costs. It also helps consumers do their part to conserve limited natural resources.

For More Information

The Federal Trade Commission offers a wide range of publications for businesses online at www.ftc.gov and in print. Call the FTC's Consumer Response Center toll-free, 1-877-FTC-HELP (382-4357) (TDD: 202-326-2502) or write: Federal Trade Commission, Consumer Response Center, 600 Pennsylvania Avenue NW, Washington, DC 20580.

The Department of Energy's Energy Efficiency and Renewable Energy Network offers a clearinghouse of energy efficiency information at www.eren.doe.gov. This information also is available from DOE's toll-free hotline, 1-800-DOE-EREC (363-3732) (TDD: 1-800-273-2957) or from the U.S. Department of Energy – EREC, PO Box 3048, Merrifield, VA 22116.

Your state and local energy offices and local utility companies also may be good sources of information.



Federal Trade Commission
Bureau of Consumer Protection
Office of Consumer and Business Education

Produced in cooperation with the U.S. Department of Energy

June 2000