



January 30, 2018

**VIA EMAIL**

The Honorable Greg Walden  
Chairman  
Committee on Energy and Commerce  
U.S. House of Representatives  
2125 Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Frank Pallone  
Ranking Member  
Committee on Energy and Commerce  
U.S. House of Representatives  
2322A Rayburn House Office Building,  
Washington, D.C. 20515

**RE: Concerns of the American Lighting Association on H.R.3477, the Ceiling Fan Energy Conservation Harmonization Act**

Dear Chairman Walden and Ranking Member Pallone:

The American Lighting Association (ALA) represents over three thousand members in the residential lighting, ceiling fan and controls industries in the United States, Canada and the Caribbean. Our member companies are manufacturers, manufacturers' representatives, retail showrooms and lighting designers that have the expertise to educate and serve their customers. The membership of ALA includes 19 manufacturers of ceiling fans or ceiling fan light kits (CFLK) and nearly 975 retail showrooms that sell ceiling fans or CFLKs.

To be clear, ALA CFLK manufacturer and retail members do not see a need for this bill to move forward and become law. As the voice of the greater ceiling fan and CFLK industry in the U.S., ALA members and staff have engaged in numerous dialogues with Energy and Commerce staff regarding H.R. 3477, the Ceiling Fan Energy Conservation Harmonization Act. ALA would like to correct several misstatements in the majority staff's memo of January 26, 2018<sup>1</sup> as it relates to manufacturers, retailers and consumers.

---

<sup>1</sup> <http://docs.house.gov/meetings/IF/IF03/20180130/106820/HMKP-115-IF03-20180130-SD001.pdf>

## MANUFACTURERS

The majority staff's memo appropriately identified that, in addition to CFLKs, new regulations for ceiling fans were also recently completed. However, the majority staff's memo implies that ceiling fans and CFLKs are the same product. These two product categories are not the same and each is very unique with its own set of standards and test procedures.

Additionally, the majority staff's memo incorrectly states that regulations for both product categories have yet to take effect when in fact both regulations have taken effect. For CFLKs, the regulations took effect on May 7, 2016 and ceiling regulations took effect on September 30, 2017.

Both product categories began the rulemaking process at the same time, and it was expected that they would be completed at the same time. For four years, ALA's ceiling fan and CFLK manufacturers worked with the Department of Energy (DOE) and efficiency advocates to develop sensible regulations with the same effective and compliance dates, but midway through that process it became clear that new standards for ceiling fans would be more complicated and would take longer to complete. As a result, CFLK standards were completed a full year before the ceiling fan standards were completed, causing the effective dates to differ.

Additionally, the compliance dates are different as well. They are offset by one year, which makes perfect regulatory sense, since that is the same length of time it took to complete the ceiling fan regulations.

Industry agrees with the one year offset for the compliance dates because it means they did not have to certify products for two different categories at the same time. The one year offset allowed them the necessary time to redesign, retool and retest CFLKs before moving on to ceiling fans. The offset helped reduce compliance costs, not raise them as the majority staff's memo falsely suggests.

By the end of the rulemaking process for CFLKs, ALA was successful in negotiating a reasonable policy mandate and compliance timeline. The final rule<sup>2</sup> that was published in the Federal Register called for greater energy efficiency, while protecting consumer access to well designed, high quality products. All interested parties involved in the process compromised, but everyone involved felt that the achieved outcome was fair and that energy savings would be realized.

The regulations called for a compliance timeline that is strict, but manageable. Assuming there are no delays for testing, certification, dock worker strikes or other logistical/transportation issues, the typical timeline takes 18 to 36 months to bring a new product to market. Below is a breakdown of the typical timeline:

### SPRING OF YEAR 1 (0-3 Months)

Internal line review –begins and extensive research is conducted to gather market intelligence and gap analysis of existing line to identify products needed to meet

---

<sup>2</sup> <https://www.regulations.gov/document?D=EERE-2012-BT-STD-0045-0129>

upcoming trends in the fan category

SUMMER OF YEAR 1 (4-6 Months)

New fans / light kits – based on results of review/research conducted initial concepts are developed and styles/finishes needed to launch in spring of 2016 are identified

FALL OF YEAR 1 into WINTER OF YEAR 2 (7-12 Months)

Product development phase – items selected from concepts move to development, samples and presentation are created for final product selection

SPRING OF YEAR 2 (13-15 Months)

Final product selections – introductions for year 3 are completed, tooling, and certification effort starts

FALL OF YEAR 2 (19-21 Months)

Physical product inspection – at this time any minor changes to design or production specs are finalized

WINTER OF YEAR 2 (22-24 Months)

Mass production – begins for product slated to arrive into our U.S. distribution centers in January / February 2016

SPRING OF YEAR 3 (25th Month)

Product arrives in stores

Due to the timeline outlined above, the CFLK industry took quick action to move forward towards compliance. In fact, the results of an informal poll of manufacturers indicate that many of them will have their product offering compliant well before the specified date. Some will be compliant by the middle of this year – nearly a full 6 months ahead of the current deadline. Manufacturers are too far into the process to stop production and shipment of the more efficient CFLKs only to go backwards and restart production of less efficient products.

For example, ALA was able to negotiate the elimination of the 190 watt power limiter for CFLKs in the new regulation. The new standards state that CFLKs can include something with ‘other than medium base’ sockets, beginning in 2019, and will no longer need a limiter to comply. Limiters are being removed from the product design of models slated to launch next year. If the compliance date of the new rule is delayed then those CFLKs, which would be compliant with the 2019 standard, may be considered non-compliant by DOE because they do not include the limiter device currently required to be used on any non-medium base CFLK that has an ANSI socket (typically E12 candelabra, but also E17/intermediate, E11/mini-candelabra, or other types used commonly associated with specialty halogen lamps).

The choice of a particular socket type is a design decision and has an impact on the aesthetics of a CFLK. With the delay, a manufacturer would suddenly have to redesign products again and/or add back in the cost/warranty concern of having to use limiters in CFLKs shipping with a 2019 compliant LED lamp. This would create an unnecessary burden on companies

who have already made investments to comply with the original compliance date. If the compliance date is pushed back to 2020, manufacturers would be forced to make these last minute changes, resulting in CFLK manufacturers being penalized for working to produce products that otherwise are scheduled to comply in 2019. In the event the current legislation becomes law, the industry will be left with the fear of probable enforcement action from DOE.

Simply put, manufacturers do not need the delay that is called for in this legislation.

## **RETAILERS**

As stated above, production is moving forward to manufacture more efficient CFLKs and as the year unfolds retailers will deplete existing stock of less efficient products. The selloff will make room for the newer more efficient products to take their place on store shelves. The arrival of new products usually means a display change. A display change often has a cost associated with it. Some would argue that this is an undue burden on the retailers; however, that financial burden is not on the retailer, but the supplier (manufacturer). The cost to cover the change-out is considered part of the retailer/supplier relationship. Not to mention, the number of change-outs actually required by the new regulations is not as drastic as is being reported.

Furthermore, the majority staff's memo stated that the retail price of some products would be impacted. This is a true statement but not for the reason the majority staff's memo inferred – because of differing effective and compliance dates. The retail price will be impacted because there are costs associated with manufacturing products that meet the standards set forth in the new regulations.

Simply put, retailers do not need the delay that is called for in this legislation.

## **CONSUMERS**

If this bill becomes law, the most likely outcome would be the creation of confusion in the marketplace. The confusion would be created when a retailer sells out of less efficient CLFKs and refills the shelves with the more efficient replacements (because that is all that is available), but does not change out the overhead display because of the one year delay. The customer will see one product hanging on a display installation and a different product sitting on the store shelf.

When it comes to lighting products, specifically CFLKs, consumers want high quality, high performing products that are efficient and that come at a fair price. Whether on a hang tag or the description panel on the product carton, consumers want the details and information on the product presented in a straightforward way.

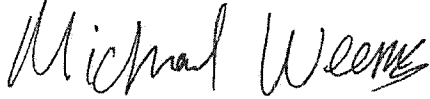
Simply put, consumers do not need the delay that is called for in this legislation.

## CONCLUSION

ALA manufacturer members have spent considerable time, money and effort to work towards compliance after the final rule was published in the Federal Register on January 6, 2016. They are on schedule to make better more efficient products. ALA retailers are adequately preparing for the forthcoming products. And, consumers are wanting for these products.

Simply put, the delay that is called for in H.R.3477 is unnecessary and will add confusion to the marketplace.

Respectfully Submitted,



Michael Weems

Vice President, Government Engagement

American Lighting Association  
2050 N. Stemmons Freeway, Unit 100  
Dallas, TX 75207  
214.698.9898  
americanlightingassoc.com

cc: Ben Lieberman  
Rick Kessler