

PLASMA DISPLAY COALITION

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JAMES M. PALUMBO
President

July 31, 2007

Katharine Kaplan
Product Manager, CE and IT
ENERGY STAR Program
U.S. Environmental Protection Agency
1200 Pennsylvania Ave. NW
MC 6202J
Washington, DC 20460

Re: EPA's Proposed On Mode Specification

Dear Katharine:

Thank you for providing the opportunity to share and discuss important industry perspectives during the July 19, 2007 Stakeholders Meeting hosted by the EPA.

The founding members of the Plasma Display Coalition (PDC) – Hitachi Home Electronics, LG Electronics, Pioneer Electronics and Panasonic Corporation of North America – are among the world's best known, most respected manufacturers and marketers of high-quality televisions. The PDC members are very supportive of the spirit of Energy Star and its benefits to the environment, and each agrees our industry has an important role in supporting and encouraging energy conservation. As leaders in the U.S. TV industry, PDC members have a substantial interest in the success of the ENERGY STAR TV specification revisions the EPA plans to introduce to U.S. consumers in late 2008.

The U.S. consumer TV industry is simultaneously undergoing the two most radical changes in its history: a legally mandated transition from analog to digital broadcasting and a rapid migration from cathode ray tube (CRT) TV to flat panel HDTV. The PDC believes it is in the best interest of American consumers to ensure the ENERGY STAR program introduced in 2008 represents a clear and easy-to-understand rating system that supports a key EPA goal of awarding the ENERGY STAR logo to energy efficient products without sacrificing performance.

The purpose of this letter is to provide the EPA with PDC members' comments with respect to the proposed On Mode specification.

THE PROPOSED “ON MODE” SPECIFICATION

The EPA’s methodology aggregates all TV technologies into a single formula to arrive at an average On Mode power limit. The PDC believes combining all TV technologies (the “technology neutral” approach) ignores the vast differences in new and developing flat panel technologies and creates a limit specification that is out of reach for many of the higher performance technologies. If adopted, this approach risks confusing consumers by rewarding older technologies and low-performance products and penalizing today’s (and tomorrow’s) high-performance products.

More specifically, the PDC’s review shows the data used by the EPA unfairly favors CRT and rear projection microdisplay (MD) technologies. For example:

- The TV data-set chart summarizing On Mode Power by TV Type shows the majority of TVs falling well below the limit line and qualifying for the proposed ENERGY STAR logo are either outmoded CRT models or MD-based products.
- 88 percent of the CRT and MD products’ data submitted for this evaluation and summarized in the chart fell below the limit line, yet they are being used to calculate a screen size-based specification for *all* TV technologies.
- For MD models, the lamp required to light up the display and the fan used to cool the TV does not vary with screen size. As a result, the power consumption of such models is consistent across all screens sizes. Not surprisingly, the chart indicates that as MD screen size increases, MD products fall further below the threshold.

By contrast, among the high-performance products submitted for testing, virtually none of the Plasma models would qualify for the new ENERGY STAR logo.

This is problematic in that consumer sales of Plasma HDTVs have been experiencing tremendous rates of growth and are perceived at retail as high-performance products. For example, Plasma HDTVs are commonly associated with electronics that drive better picture quality and enhanced performance, particularly in larger screen sizes, featuring attributes such as extremely wide viewing angles, superior motion rendition, outstanding black levels, wide color ranges, and the capacity to display 1080p “Full HD” resolution.

At the same time, today’s CRT and MD/rear projection TVs are positioned at retail as entry-level products with markedly different picture quality and other characteristics than flat panel Plasma or LCD products.

While great strides have been made in the reduction of energy use by flat panel displays, these technologies, particularly in the case of Plasmas offering 1080p resolution, are still in their infancy. Future generations will offer further reductions in On Mode power consumption while still accommodating the high-performance features consumers are demanding.

PDC member companies are deeply concerned that the EPA’s adoption of a specification using the “so-called” “technology neutral” approach will cause consumers to associate the ENERGY STAR logo with low-cost, older technologies and declining TV categories. It is difficult to imagine consumers drawing

any other conclusion if they visit retail stores to find that most CRT and MD products display the ENERGY STAR logo, while only a small proportion of flat panel TVs earn the rating.

The PDC believes this conclusion is inconsistent with the EPA's stated goal of pursuing energy efficiency without sacrificing high-performance. The proposed "technology neutral" approach does not account for the difference between high-performance products and low-performance products, and the PDC believes this will confuse consumers.

When CRT-based technologies dominated the TV marketplace, it was rather simple to arrive at a single or "average" specification. Today, with a variety of distinct TV technologies available at retail, the PDC believes a "technology neutral" specification would unfairly discriminate against many manufacturers who have invested billions of dollars to research and develop today's most desirable high-performance flat panel plasma products for consumers. Indeed, these are the same manufacturers who are best-positioned to design and deliver tomorrow's most promising energy-saving televisions.

A specification that averages together many different display technologies would reward low-end products, punish today's most advanced display technologies and interfere with many manufacturers' plans to introduce ever more energy-efficient flat panel designs.

PDC'S ENERGY STAR PROPOSAL

The PDC respectfully urges the EPA to recognize four distinct TV technologies in the following categories: CRT, MD, LCD and Plasma. Each category should have its own On Mode power limit to ensure ENERGY STAR offers consumers a "best-in-class" rating system.

This approach, coupled with the EPA's intention to publish annual energy consumption data, will allow consumers to easily compare the energy efficiency of TVs within each category to make an informed purchase. Importantly, this approach also would retain the incentive to pursue demanding, yet achievable, levels of energy efficiency in competition within each product category. As you know, a similar rating-by-category approach is working successfully with home appliances, such as refrigerators, as well as in the new ENERGY STAR computer specification. We believe such an approach is both fair and warranted in the highly diverse consumer television segment.

Using a best-in-class approach in the new ENERGY STAR TV specification will enable consumers to select energy-efficient designs without sacrificing product performance.

Thank you for your consideration. The Plasma Display Coalition and its members welcome the opportunity to meet with the EPA to discuss this approach and respond to any questions that you may have.

Respectfully submitted,

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