

Brussels, March 8, 2010

DIGITALEUROPE's position on the requirements of the new proposed delegated regulation for the labelling of televisions and the provisions of supplementary product information for televisions

DIGITALEUROPE welcomes the progress for the establishment of TV energy labeling, which will provide more transparency on energy efficiency of televisions and television monitors sold in the consumer markets. We appreciate the opportunity to provide comments based upon the new proposal and wish that our comments would be taken into account in the further design of the current proposal for an effective and realistic outcome.

Firstly, DIGITALEUROPE would like to express its gratitude over the Commission's acceptance to keep the majority of elements of the labeling proposal issued to the Parliament and Council in March 2009. As expressed in previous position papers, industry believes that this approach is easier to implement, provides more flexibility for future upgrades and limits the administrative burden.

As TV industry we appreciate the Commission's approach to keep the major elements of the Draft TV Labeling Implementing Measure, namely:

- The obligation for manufacturers to provide a language neutral energy label based on the date that products are placed on the EU market and the obligation for dealers to display these labels.
- The design of the label and its elements shall remain unchanged.
- The calculation method for the EEI to remain as proposed.
- The ability to declare only the basic model number on the energy label so that the same label can be used for all variations of the basic models sharing common technical specifications.
- Allowing an incentive for an ambient light sensor.
- The right of a supplier to use better energy efficiency classes on a voluntary basis

- No validity period added to the style of the label in order to avoid “downgrading” of a particular product. Instead, remain on a timely, obligatory upgrade to the next efficiency class.
- To keep at least timeframes of 3 years for introducing obligatory upgrades of the label in terms of A+ or better.

DIGITALEUROPE also agrees with the trialogue result and fully support an “open-ended” approach with an “A+” style. It provides several clear, pre-defined energy efficiency targets above A. This will encourage natural competition among makers, which will result in more substantial improvement of energy than that we could expect from a “closed A-G” style.

However, the TV industry organized in DIGITALEUROPE would like to raise some serious concerns regarding the proposed changes, as outlined below.

1. Art. 2 - Definitions

As in the new proposal a definition for ‘supplier’ and / or ‘placing on the market’ has been deleted; we expect that its interpretation will be subject of the new Labelling Framework Directive.

2. Art. 3.1 Responsibilities of suppliers

Point 1. – we would like to make the Commission aware, that the new request to label every single product is inappropriate. Such measure will substantially increase the administrative and financial burden of a supplier, without having a corresponding market effect. It is obvious that the label provides the intended purchase orientation only through its visibility at point of sales, but not after un-packaging a product after purchase. As such we would propose the following change:

Each television placed on the market for the purpose of being displayed in a shop, shall be supplied with a label stating all the elements referred to in Art. 3.1 Point 1. All other products shall contain the information requested in accordance to Annex III.

Furthermore we would appreciate if the Commission would combine Article 3.1 point 4 and 5 in order to underline that any advertisement for a specific model needs to have a reference to the energy efficiency class, irrespective of the type of publication which is currently differentiated by the 2 paragraphs

3. Art. 3.2 - Energy Efficiency Classes

We are concerned that the standard for A+ class, which shall become an equivalent to Class A, is set at too ambitious for the time being. Based on this shift – 7 classes only and upgraded A to G level - it is already burdensome to accept an entry class for full HD products at level ‘F’ instead of ‘E’ and for HD ready products the level ‘E’ instead of ‘D’. In respect to

the original plan of the draft implementing measure from March 2009 and planned market introduction in 2010, this is a heavy burden to all makers/importers to accept a more strengthened approach prior the planned date of the next step by January 1st 2013.

We feel therefore that it is better to consider an adjustment of the bandwidth above the current A class to 15% only, while keeping into account the given flexibility to allow the usage of a better class for a single product on a voluntary basis. In table 1 we created a proposal on how to adjust the classes on the basis of 15% bandwidth.

Table 1:

| Energy Class | Efficiency | Energy Index | Efficiency |
|-----------------------|------------|--------------------------------|------------|
| A+++ (most efficient) | | EEI < 0.20 | |
| A++ | | $0.20 \leq \text{EEI} < 0.275$ | |
| A+ | | $0.275 \leq \text{EEI} < 0.35$ | |
| A | | $0.35 \leq \text{EEI} < 0.425$ | |
| B | | $0.425 \leq \text{EEI} < 0.50$ | |
| C | | $0.50 \leq \text{EEI} < 0.64$ | |
| D | | $0.64 \leq \text{EEI} < 0.80$ | |
| E | | $0.80 \leq \text{EEI} < 1.00$ | |
| F | | $1.00 \leq \text{EEI} < 1.20$ | |
| G (least efficient) | | $1.20 \leq \text{EEI}$ | |

Following the proposal given in table 1, a product size calculated with the related EEI gives evidence, that the value achieved in Class 'A' and Class 'A+++' is nearby cut by half.

| Size | A | A+++ |
|------|----------------------|------------------|
| 32" | $\geq 50 \text{ W}$ | $< 29 \text{ W}$ |
| 52" | $\geq 120 \text{ W}$ | $< 69 \text{ W}$ |

This example shows, that even with the 15% range proposal still we find the A+++ "target" impossible to achieve considering today's understanding of the forthcoming technologies.

Notwithstanding the fact that today it is impossible for TV industry to understand how to achieve the most efficient EEI values, still we would request that if a maker is able to do so

he is allowed to display a label relating to the energy efficiency class achieved, irrespective of the mandatory class at the time.

4. Art. 3.3 – Timetable

a) Transitional Period

We appreciate the Commission proposal to consider a transitional period of 12 month for the obligatory usage of a label and a further possibility of additional four-month-transitional period for the information necessary for printed communications since product catalogs, manuals and/or brochures are prepared well in advance of official product launch.

In a short study of the German Industry Association ZVEI in autumn last year, TV makers informed the German Federal Ministry of Economics and Technology about the following introduction timings shown in table 2. These approximate timelines are mainly considered in the new proposal.

Table 2.

| | | |
|-----|---|--|
| 1.) | Product planning, order management, Sourcing, etc. | up to 6 month |
| 2.) | Shipment for products to be imported into EU | ~1 month |
| 3.) | Stock level at manufacturer level (products placed on the market) | up to 12 months |
| 4.) | Current Stock availability at dealer level | ~ 2 months (GfK Info) central warehousing of key accounts not considered |
| 5.) | Result | ~ 21 months |

In order to provide suppliers at all levels sufficient timing to prepare investments, we would like to ask the European Commission to consider extending the transition period for suppliers to use mandatorily the new label from 12 to 15 months. Based on this industry proposal we can avoid problems associated with order management and information supply. Additionally, as manufacturers can introduce the label on a voluntary basis prior the obligatory date, there should be no harm to the entire label introduction process.

5. Art. 4 – Responsibilities of dealers

We would like to emphasize that it is not necessary for the TV itself to bear the label. In accordance to point (1) it should be optional for the dealer to place the label either on the front or close to the TV. The latter is more a supplier's choice and not a request to the dealer. What is important is that the label is clearly visible.

With regards to the timing TV Industry appreciates the timeline given for dealers in order to consider the stock situation at the dealer's shop. However, we would request that if a supplier delivers the label, either relating to the current period or to the succeeding period (for example "A+ to F" instead of "A to G"), it should be obligatory for the dealer to display it.

Finally we like to underline, that whenever a change between the efficiency classes is required, the suppliers should have the possibility to use the updated scale early in advance in order to prepare for market entrance.

The updated scale shall not result in any re-labeling at shop or stock level.

6. Annex V – The label

Whilst TV industry appreciates the fact that the basic label design is unchanged from the March 2009 draft, we would like to highlight two concerns.

The label dimension – the current proposal defines a minimum label dimension of 120 x 60mm. However, this dimension is too large for display directly upon smaller-screen models and therefore eliminates the possibility for makers to attach the label themselves if they so desire. To overcome this we request that a label of dimensions 80 x 40mm be allowed for screen dimensions less than 32".

The visible screen dimension – the visible dimension depends upon the panel specification and the cosmetic design of each maker and, as such, will vary between makers and even between an individual maker's model series. In order to avoid confusion for the consumer we request that the label's declared screen area be the measured diagonal rounded up to the nearest inch and centimeter. The figure should be declared to its first integer.

ABOUT DIGITALEUROPE

DIGITALEUROPE is the pre-eminent advocacy group of the European digital economy acting on behalf of the information technology, consumer electronics and telecommunications sectors. We are dedicated to improving the business environment, and to promoting industry's contribution to economic growth and social progress in the European Union.

DIGITALEUROPE ensures industry participation in the development and implementation of EU policies. DIGITALEUROPE's members include 59 leading corporations and 40 national trade associations from all the Member States of EU; altogether 10,000 companies with 2 million employees and €1,000 billion in revenues. You can learn more about our activities via <http://www.digitaleurope.org>

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