

March 28, 2018

Senate Committee on Natural Resources and Energy
Vermont General Assembly
115 State Street
Montpelier, VT 05633-5301

Re: CTA Testimony on H.410 – An Act Relating to Adding Products to Vermont’s Energy Efficiency Standards for Appliances and Equipment

Dear Chair Bray, Vice Chair Campion and Members of the Committee:

The Consumer Technology Association™ (CTA) respectfully submits this testimony to express our concerns and opposition regarding [House Bill 410](#), which sets unnecessary regulatory limits on telephones. As quantified in recent studies, electronics are among the most efficient products in the home today. Policies and initiatives already in place for electronics are resulting in real savings for consumers, while at the same time protecting consumer choice and industry innovation.

CTA is the trade association representing the U.S. consumer technology industry, which supports more than 15 million U.S. jobs. Our membership includes more than 2,200 companies – 80 percent are small businesses and startups; others are among the world’s best known manufacturer and retail brands. Our members have long been recognized for their commitment and leadership in innovation and sustainability, often taking measures to exceed regulatory requirements on environmental design and energy efficiency.

For many years, CTA has supported and advanced energy efficiency in consumer technology as part of the industry’s broader commitment to environmental sustainability through a variety of initiatives related to public policy, consumer education, research and analysis, and industry standards. Regarding public policy, we advocate for approaches that are national, voluntary, market-oriented, globally harmonized, flexible to keep pace with technology, and friendly to innovation and economic growth.

CTA shares the State of Vermont’s interest in striving to improve energy efficiency. As leaders on energy efficiency, we are actively engaged with state, federal and international policymakers on energy efficiency issues. We’ve also developed new approaches –industry-led voluntary agreements– that go beyond existing programs to capture additional energy savings in rapidly-evolving product categories. We have a particular interest in H.410 as it relates to telephones.

Industry has made significant strides in energy efficiency. A recent peer-review study, commissioned by CTA and produced by Fraunhofer USA, finds the number of tech devices in U.S. homes has increased 21 percent since 2010, but those devices now account for *25 percent less* residential energy than they did in

that time.¹ This landmark energy efficiency achievement is due to the consumer tech industry's investments in lightweight materials and energy efficient technologies, as well as the convergence of multi-function devices and continuous innovation. These achievements were not accomplished through mandated state or federal requirements.

Telephones, currently included in the scope of H.410, are a great example of an energy efficiency success story. The annual in-home consumption for telephones, on average, declined 53 percent from 2013 to 2017, costing consumers less than a penny per day to power. Such low power consumption is driven by competition, consumer demand, and voluntary, market-oriented programs such as ENERGY STAR. These successes were not achieved through mandated requirements like such as those called for in H.410.

The “stretch goal” limits of ENERGY STAR are supposed to be voluntary; H.410 would make them mandatory, weaken the program and remove consumer choice. With 90 percent of U.S. households recognizing the ENERGY STAR label², the ENERGY STAR program has proven effective in achieving broad energy savings goals while allowing manufacturers the flexibility to innovate and distinguish their products as the most efficient in the market place. H.410 inappropriately takes a successful voluntary program and requires that all telephones sold in Vermont meet the ENERGY STAR program specifications. Such unnecessary and counterproductive requirements for telephones should be removed from H.410.

The ENERGY STAR program was not designed to create a mandatory minimum standard as H.410 would require. Mandating that all telephones meet the ENERGY STAR program standards would devalue both the label and the program. For continued success, ENERGY STAR needs to remain a voluntary, flexible program that keeps pace with the fast-moving consumer electronics market. It should not be devalued as a static, mandatory minimum standard locked into a state law. The specifications for telephones have been updated several times since their initial adoption (as outlined in the below table), with each update following an in-depth and open stakeholder process.

ENERGY STAR Specification for Telephony	Effective Date of Revised Specification
Version 1.0	Tier 1: January 2002 Tier 2: January 2004
Version 2.0	November 2006
Version 2.1	November 2008
Version 2.2	November 2008
Version 3.0	October 2014

H.410 is the wrong approach to energy efficiency in electronics and would make Vermont the only state to mandate the otherwise voluntary ENERGY STAR standards for telephones. In the 2018 legislative session, Washington State proposed similar legislation which was amended to remove the mandated ENERGY STAR provision for telephones. The Washington Legislature understood that the ENERGY STAR program already provides a successful voluntary, flexible and innovative approach to achieving energy efficiency goals while avoiding cumbersome and counterproductive state regulatory mandates.

¹ Urban, Roth, Singh, & Howes. “Energy Consumption of Consumer Electronics in U.S. Homes in 2017”. December 2017. Available at: <http://www.cta.tech/cta/media/policyImages/policyPDFs/Energy-Consumption-of-Consumer-Electronics-in-U-S-Homes-in-2017.pdf>

² National Awareness of ENERGY STAR® for 2016: Analysis of 2016 CEE Household Survey, EPA Office of Air and Radiation, Climate Protection Partnerships Division, 2017, <http://energystar.gov/awareness>.

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Conclusion: CTA and its members are firmly committed to energy efficiency in our industry. We continue to work with policymakers across the U.S. and globally to urge innovation-friendly, voluntary and market-oriented approaches to energy efficiency. Telephones are vastly different in features, function and energy use from the utilitarian appliances, plumbing and commercial equipment otherwise covered by H.410. We would urge you to recognize that more effective, appropriate and successful policies, programs and industry initiatives already exist for telephones covered in the current version of H.410. Industry and policymakers share the goal of energy efficiency and conservation, but there are many paths to that goal.

CTA appreciates the opportunity to testify on H.410 and urges the Senate Committee to oppose the bill as drafted and specifically exclude telephones. Please do not hesitate to contact us with any questions or requests for additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Katie Reilly", written in a cursive style.

Katie Reilly
Senior Director, Environmental and Sustainability Policy
kreilly@cta.tech

cc: Senator Christopher Bray, Chair
Senator Brian Campion, Vice Chair
Senator Mark A. MacDonald
Senator John Rodgers
Senator Christopher A. Pearson
Judith Newman, Committee Assistant