Alliance Laundry Systems

Alliance Laundry Systems LLC
Shepard Street, P.O. Box 990
Ripon, WI 54971-0990
Tel 920.748.3121
Fax 920.748.4429
www.comlaundry.com

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Ms. Brenda Edwards-Jones
U.S. Department of Energy
Building Technologies Program
Mailstop EE-2J
Room 1J-018
1000 Independence Avenue, SW
Washington, D.C. 20585-0121

Subject: **Alliance Laundry Systems Public Comments on the California Petition**

Alliance Laundry Systems LLC is North America's largest commercial laundry manufacturer located in Ripon, WI. We manufacture residential clothes washers and clothes dryers under the trademark Speed Queen®, and commercial washers and dryers under trademarks Speed Queen®, Huebsch®, and Unimac®.

The following are our comments to DOE's request, per *Federal Register* notice of February 6, 2006.

We support AHAM's public comments.

We support the comments submitted by the Association of Home Appliance Manufacturers (AHAM) and have the following additional comments.

We OPPOSE the petition submitted to DOE by the State of California for the following reasons:

1.) We will be irreparably harmed by the California standard.

a.) <u>We believe we will be forced to exit the California market of "residential top load washers"!!!</u>

California's petition includes a Water Factor (WF) standard that we will believe we will not be able to achieve. The standard Tier-1 requires a WF less than or equal to 8.5 gallons/cubic foot capacity. Tier-2 requires a WF of 6.0 or less. The majority of Alliance Laundry Systems' existing top load washers are rated at WF = 12.0. Adequate water is required to effectively wash clothes in a manner consumers expect. We currently do not have, and believe we will not be able to meet a WF = 8.5 or less in a top load clothes washer that meets consumer expectations. Therefore, we will be forced to exit the California residential top loading clothes washer market. This will be a financial blow to our business. We are the smallest of the long-standing US residential clothes washer manufacturers, and the loss of California business will have a terrible impact.

b.) The petition aids foreign manufacturers over US manufacturers including Alliance.

Alliance Laundry Systems will have its existing residential washer market share further exposed for frenzied feeding by foreign manufacturers of clothes washers. Today's California market has a few foreign manufacturers of top-loading clothes washer present. These foreign made top loaders are New Zealand's Fisher & Paykel, and Korea's LG through GE Appliances' Harmony™ series, and China's Haier model XQJ100-96. If DOE grants California's petition, our only washer construction that will comply with the California standard will be our front-load washer. Almost all the foreign manufacturers offer front load washers. The California market will be totally reshaped, giving foreign manufacturers in some cases an unfair advantage due to lower labor costs and unequal or non existent employee benefit costs. The production volume we will lose by not being able to sell top load washers in California will not be fully replaced by our front load washer sales, due to the cost disadvantage presented by foreign manufactured front load washers. Our US economy does not need another news headline indicating that DOE helped promote the loss of US jobs.

2.) The standard would create a negative impact on California's poor and low income residents.

a.) ***Poor California residents will have fewer choices within their economic means.***

Existing moderately-priced top-loading agitator clothes washers will disappear from the marketplace in California and will be an unavailable class of product. Only the significantly more expensive front-loaders will meet California's standard. You don't need a sophisticated market research firm to observe the retail price difference. Open your Sunday newspaper and merchandise catalogs and look at the ads. Sears Kenmore flyers and website www.sears.com offer consumer preferred top-loaders for $299 and the lowest cost front-loader is $599, with the median cost of the remaining front-loaders around $900. California low income residents will not be able to afford the minimum $300 extra purchase price, and will only be able to dream about buying the remaining front load offerings with their median $600 extra price.

b.) ***The low income's option of using "vended" clothes washers will be negatively impacted.***

Our company is predominantly a "commercial" laundry equipment manufacturer and we depend on the production we enjoy of "residential" clothes washers to help absorb factory overhead cost. Most of these "residential washers" we produce are top-loading. A significant portion of the

employees of the Ripon, WI manufacturing facility support the top load washer production. If DOE grants California its exemption and other state's are allowed to follow suit, we anticipate a reduction of top load washer sales and a resultant impact on employment with a loss of jobs, and the re-appropriation of overhead costs away from residential washers to the commercial washers. This eventually very negatively impacts California's low income and elderly that use vended commercial washers, because the higher costs of the commercial equipment will be passed on in the form of higher vend prices. It would present a no-win situation for California's low income and elderly. **First, they find their affordable "residential' models are unavailable and then they find the multi-housing common-area vended laundry room or vended coin-op store down the street has higher vend prices helping deplete their meager income!!!**

3.) California's request is "not ripe" and is inappropriate.

a.) California has ignored alternate solutions.

We have been faithful, good citizens participating with DOE since 1987 in rulemakings, and thought we were done with the NAECA required rulemakings for residential clothes washers. Now here comes California. The petition needs to be resolved at the lowest level of problem resolution. The petition is pre-mature and inappropriate, when simple alternate solutions exist in California. California must solve its own problem using alternative measures, which it has totally ignored. It is simply not right to further regulate clothes washers, which have undergone significant energy and water efficiency regulation to the point that clothes washer consumer utility and availability of a consumer preferred class of washers are threatened. All the while, California ignores even the smallest agricultural water-use regulation, ignores metering of all customers, and ignores addressing wasteful water system leaks. Top load washers, a convenient traditional target, is being pursued instead of California doing the right, albeit politically inconvenient thing, which would be to tackle inherent problems it has, and is ignoring.

b.) An alternate solution that California and the US government can affect.

California and the federal government should offer tax credits to builders of multi-family housing. Studies have shown vended common-area laundry room washers use less energy & water than washers in each resident's apartment. This is because residents will often wash more frequently

using smaller loads and without resetting water levels to maximize efficiency if the washer is non-vended and in their own apartment. Unfortunately, the only incentive that multi-housing owners have is that of their consumer residents, who desire in-room washers for convenience, but who are less conscious of energy & water conservation when making the decision of how often to wash or taking the time to match settings to load size. Executive Director, Mary Ann Dickinson of the California Urban Water Conservation Council www.cuwcc.org is supporting the Multi-housing Laundry Association (MLA) "best management practices" to specify vended "community laundry rooms" also called "common-area laundry rooms" in multi-family housing, over individual "in-apartment" clothes washers.

4.) The federal NAECA Law's "Safe Harbor" provision must be observed by DOE.

a.) Traditional top-load washers are a "class of product" that must not become extinct.

The California market prefers top-loaders over front-loaders, as evidenced by ENERGY STAR®. DOE must stand up and do the right thing and protect a whole class of product, i.e. "top load clothes washers", for California residents. Traditional top loading clothes washers have unique consumer utility. These are:

1.) Easy to load and unload without bending over. Elderly and disabled need this characteristic in a moderately-priced clothes washer. Front load washers that require stooping to load often are available with "pedestals", however these are not cheap. Pedestals are listed in retail ads as requiring an extra outlay of $150 for consumers.

2.) Vigorous mechanical action washing of agitator vanes impacting garments to remove ground in dirt and soils are required to thoroughly and efficiently clean the clothes worn by industrial, construction trade and agricultural workers, in a typical convenient 33 minute total cycle. Typical front loader cycle times are longer i.e. Whirlpool = 56 minutes, LG = 63 minutes.

3.) A thorough full-bath, deep-rinse with more agitation, which opens up the garments to effectively release any trapped detergent or heavy soils, unlike front loaders which do not fully expose the clothes to a full bath of water.

4.) Easy to add a dropped-on-the-floor clothing item to the active wash cycle because the loading door is not locked, unlike the front load washer, in which the door is locked upon wash cycle start-up.

b.) This time DOE can prevent the issues like which occurred with the "low-flush toilet" rule.

Granting California's petition will turn citizens to criminals with the advent a "black market" to obtain their preferred moderately-priced top load washers. DOE has been down this road before with the plumbing products rule. It happens. Consumers will seek their traditional well-performing product via any means. DOE knows full well that the best water efficiency improvement intentions get defeated by consumers acting to get the job done that they expect from the product. Usually it will be with minor construction changes to the new low-water use designs that they can affect themselves. In the case of plumbing products consumers changed drain flappers. In case of clothes washers, it could be interchanging hot and cold water supply hoses on their clothes washer to get higher temperature warm water, or manually adding more water with a separate hose. Consumer habits will be impacted as they will resort to multiple use-cycles. In the case of low-flush toilets, many consumers flush twice instead of once. In the case of low-water use clothes washers, many consumers will opt for extra rinses or re-run the full wash cycle. These will offset any water savings and may even use more water than the existing conventional design. The anticipated energy and water savings will be far less than estimated because of consumer unhappiness with the standard-complying product, and unhappy consumers will affect unintended changes to the product to achieve the level of satisfaction they expect.

c.) Push-back by our own US military is occurring.

Yes, even the US military is avoiding buying the more expensive front-loaders, when faced with the decision between the front-loaders and top-loaders. Recent government bids, which our company won, initially specified front-loaders. Later, the bid specs are changed by the US military to require top-loaders. (Reference: Solicitation Number W91248-06-R-0001 Fort Campbell, KY) Last year in 2005, Fort Polk, LA and Randolph Air Force Base, TX both selected our top load washer over front load washers. The military expects reliable, well-proven and well performing equipment and affordable equipment that top loading clothes washers provide.

In summary, we strongly oppose the California preemption exemption petition for residential clothes washers.

- Alliance Laundry Systems will be irreparably harmed though loss of existing sales of top load washers because we will not be able to comply with the California standard with a top load washer construction. Loss of top load sales will not be offset by any increase in front loader sales, because consumers will likely choose foreign made front load washers of lower cost.
- California poor and low income residents will be negatively impacted, first from unavailability of moderately-priced top load clothes washers, and then from potentially higher vend-prices at vended commercial laundry coin stores and multi-housing common-area laundry rooms. The residential top load washer sales allow absorbing manufacturing overhead. This cost will need to be passed on in the form of higher vend prices on commercial washers to California residents, when through anticipated proliferation of petitions from adjoining states, sales of residential top load washers will decline.
- California's request is "not ripe" and has ignored its problems, ignored alternate solutions, and targeted a convenient clothes washer class that is being regulated to the point of extinction. California has not explored nor acted on all alternatives in their state. We have offered one solution and there are many more. A simple 1% reduction in agricultural usage, or complete metering of water users, and addressing water system leaks are absolutely required first steps.
- DOE must stand up and do the right thing for US manufacturers and California residents and protect a product class, per the federal NAECA law "safe harbor" provision. Top load clothes washers have unique consumer utility that must be preserved. And now DOE can avoid the demise of the top load washer and avoid unintended efficiency-defeating actions of consumers, such as occurred with the "low-flush toilet" DOE plumbing products rule. DOE can preserve consumer-favored top load clothes washers by simply not granting California's petition.

Respectfully submitted,

Phil Manthei
Sr. Staff Engineer, Agency / Codes Approval

Phone: (920) 748-4486
FAX: (920) 748-4301
E-mail: phil.manthei@alliancels.com

Cc: T. L'Esperance, CEO
S. Spiller, VP Chief Legal Officer
S. Gaster, VP Operations