



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
600 PENNSYLVANIA AVENUE, NW
WASHINGTON, D.C. 20580

Division of Enforcement
Bureau of Consumer Protection

January 15, 2004

VIA CERTIFIED MAIL

The staff of the Federal Trade Commission recently reviewed advertising for your insulation product to see whether it complies with the requirements of FTC's Rule for Labeling and Advertising of Home Insulation ("R-value" Rule) (16 C.F.R. Part 460). This Rule applies to sellers in the residential insulation. We are sending this letter to ensure that you are aware of the testing and disclosure requirements of the Rule. We also want to communicate some specific concerns the FTC staff has about claims made for reflective insulation and radiant barrier products installed under concrete slabs. We have not made a determination that your company has violated the law. In this letter, we explain what the Rule requires and ask that you take any necessary steps to ensure compliance if you have not done so already.

The Rule states that R-values given on labels, fact sheets, ads, or other promotional material must be based on uniform R-value test procedures that measure thermal performance under "steady-state" (*i.e.*, static) conditions. Section 460.5 of the Rule specifies the tests manufacturers must use for their insulation products, including specific tests for reflective insulations (see 16 C.F.R. § 460.5(b), (c)&(d)). Manufacturers and others who sell home insulation must disclose each product's R-value and related information (*e.g.*, thickness, coverage area per package) on package labels and manufacturers' fact sheets. In addition, the Rule requires that specific disclosures be made: (1) by professional installers and new home sellers on receipts or contracts; and (2) by manufacturers, professional installers, and retailers in advertising and other promotional materials (including those on the internet) that contain a R-value, price, thickness, or energy-saving claim or compare one type of insulation to another. Finally, manufacturers and other sellers must have a "reasonable basis" for any energy-saving claims they make for their insulation products.


The FTC's R-value Rule covers reflective insulations and radiant barrier products. The Rule requires that industry members use specific test procedures for measuring the R-value of reflective insulations with single and multiple sheets. R-value claims are not appropriate for radiant barrier products, however, because no generally accepted test procedure exists to determine their R-value. Sellers who nevertheless make energy-savings claims for radiant barrier insulations must have a reasonable basis for the claims under section 460.19(a) of the Rule.

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The FTC staff is aware of claims that are being made in the marketplace for foil-faced bubble pack products (or similar reflective or radiant barrier products) installed under concrete slabs. In the staff's view, it may be misleading for industry members to suggest that such foil products will reflect radiant heat when installed under concrete. It is well accepted that reflective insulations and radiant barrier products must have an air space adjacent to the reflective material to be effective. Such air spaces are unlikely to exist under concrete slabs. Accordingly, it is unlikely that the reflective qualities of these products will yield any significant benefits when they are installed under slabs. In essence, foil-faced material installed in such a way ceases to function as a reflective insulation or radiant barrier and, instead, serves as non-reflective insulation material. In the staff's view, advertising that suggests otherwise could harm the ability of builders and other consumers to make appropriate insulation choices.

We have enclosed a copy of the FTC's R-value Rule for your information. Industry members who violate it are subject to civil penalties of up to \$11,000 per violation. Further information about the requirements of the R-value Rule is available at the FTC's website, www.ftc.gov/energy. The views expressed in this letter are those of the FTC staff and do not necessarily reflect the views of the Commission or any individual Commissioner. If you have any questions, please contact me at (202) 326-2889.

Sincerely,



Hampton Newsome
Attorney

Enclosure as stated