



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

Division of Enforcement
Bureau of Consumer Protection

December 13, 2004

Juan M. Garcia
Northwestern Ohio Foam Packaging, Inc.
2419 Black Canyon Highway
Suite 22
Phoenix, Arizona 85009

Dear Mr. Garcia:

In a recent telephone conversation, you asked me for information about the FTC's R-value Rule and, particularly, claims made for reflective insulations installed under concrete slabs. I have prepared this letter to provide you with some background information on the Rule and to provide guidance to you regarding claims made about insulations installed under concrete slabs.

The FTC's Rule for Labeling and Advertising of Home Insulation ("R-value" Rule) (16 C.F.R. Part 460) applies to sellers of residential insulation. 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.

The FTC staff is aware that certain claims have been 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.

I 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