

**FEDERAL TRADE COMMISSION****16 CFR Part 460****Labeling and Advertising of Home Insulation: Trade Regulation Rule****AGENCY:** Federal Trade Commission.**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** The Federal Trade Commission (“Commission” or “we”) proposes to amend its Trade Regulation Rule Concerning the Labeling and Advertising of Home Insulation (“R-value Rule” or “Rule”) to streamline and increase the benefits of the Rule to consumers and sellers, minimize its costs, and respond to the development and utilization of new technologies to make American homes more energy efficient and less costly to heat and cool. This document provides background on the R-value Rule and this proceeding; proposes amendments to recognize technological advances in R-value testing and specimen preparation procedures, and to clarify, streamline, and improve the Rule’s requirements; and discusses public comments received by the Commission and solicits further comments on the proposed amendments and additional issues.

**DATES:** Written comments must be submitted on or before September 22, 2003. Because written comments appear adequate to present the views of all interested parties, neither a public workshop nor a hearing has been scheduled. If interested parties request the opportunity to present views orally, the Commission will publish a document in the **Federal Register**, stating the time and place at which the hearing or workshop will be held and describing the procedures that will be followed. In addition to submitting a request to present views orally, interested parties who wish to appear must submit, on or before September 22, 2003, a written comment or statement that describes the issues on which the party wishes to speak. If there is no interest in a hearing or workshop, the Commission will base its decision on the written rulemaking record.

**ADDRESSES:** Send written comments to Secretary, Federal Trade Commission, Room H-159, 600 Pennsylvania Ave., N.W., Washington, D.C. 20580. All written comments should be captioned “16 CFR Part 460—Labeling and Advertising of Home Insulation” and “16 CFR Part 460 Request to Testify—Labeling and Advertising of Home Insulation,” respectively. As discussed in the Dates section of this document, a public workshop has not been scheduled. However, individuals who

would like to submit oral views should submit their request to the address noted in this section. To encourage prompt and efficient review and dissemination of the comments to the public, all comments should also be submitted, if possible, in electronic form. Comments or requests in electronic form should be sent, if possible, to: [r-valuerule@ftc.gov](mailto:r-valuerule@ftc.gov). The Commission will make this document and, to the extent possible, all comments received in electronic form in response to this document, available to the public through the Internet at the following address: [www.ftc.gov](http://www.ftc.gov).

**FOR FURTHER INFORMATION CONTACT:** Hampton Newsome, (202) 326-2889, Division of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue, N.W., Washington, DC 20580.

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**I. Introduction**

The R-value Rule specifies substantiation and disclosure requirements for thermal insulation products used in the residential market, and prohibits certain claims unless they are true.<sup>1</sup> The primary disclosure required is the insulation product’s “R-value.” R-value is the recognized numerical measure of the ability of an insulation product to restrict the flow of heat and, therefore, to reduce energy costs—the higher the R-value, the better the product’s insulating ability. To assist consumers, the Rule requires sellers (including insulation manufacturers, professional installers, new home sellers, and retailers) to disclose the insulation product’s R-value and related information, before retail sale, based on uniform, industry-adopted standards.<sup>2</sup> This information

<sup>1</sup> The Commission promulgated the R-value Rule on August 29, 1979 under section 18 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. 57a. The Rule became effective on September 30, 1980. See Final Trade Regulation Rule (“Statement of Basis and Purpose” or “SBP”), 44 FR 50218 (1979).

<sup>2</sup> Home insulation sellers should be aware that additional Commission rules or guides may also apply to them. For example, the Commission’s Rules concerning Disclosure of Written Consumer Product Warranty Terms and Conditions, and the Pre-sale Availability of Written Warranty Terms, 16 CFR Parts 701 and 702, specify requirements