

****UPDATED: 11/05/09****

What They Are Saying... About the California Energy Commission's Plan to Ban 25% of TVs Sold In California

CALIFORNIA WILL LOSE JOBS AND TAX REVENUE.

“An economic study led by LECG estimates that it will cost California \$47 million a year in lost tax revenues and destroy more than 4,000 jobs, largely tied to local retailers, installers and distributors. With California facing its highest unemployment rate since World War II, job-killing measures should not be up for discussion.” (TV energy regulations will harm innovation. 11/3/09).

“...such an action by the CEC would lead to store closures and retail job losses.” (Consumer Electronics Retailers Coalition And California Retailers Association: 2008 Rulemaking Proceeding On Appliance Efficiency Regulations. 1/19/09)

“...[T]he CEC is actually DEAD SERIOUS about punching a huge hole in the California economy, and severely limiting consumer choice in big screen televisions... [T]his regulation will hurt the economy, and take a big bite out of state revenues at a time when the state's finances are in deplorable shape -- not to mention the erosion of your freedom of choice to buy the television you want to buy.”

(FlashReport.Org: California Energy Commission Receives "Golden Trashcan" Award For Proposal To Ban Big Screen Televisions. 6/24/09)

“Let's also mention the cockamamie idea of taking products off the shelves during a recession in a state where a good chunk of the population makes a living producing TV and movies and video games – you know, the stuff that plays well on big screen TVs.” (Reason Foundation: First They Came For The Light Bulbs. 3/23/09)

CALIFORNIA SMALL BUSINESSES WILL SUFFER.

“Unfortunately, this move will have drastic financial implications for small and independently owned California retailers, distributors and installers of these electronics—not to mention consumers. Severely impacted would be many of the larger-screen and fully featured models that comprise the majority of what independent retailers sell.” (Sacramento News And Review: Groundhog Daze. 3/19/09)

“Mike McMaster, president of Wilshire Entertainment Inc stated that this ‘would be basically the end of our business.’ His two locations in Thousand Oaks and Valencia employ 54 people and specialize in sales and installation of custom home theater systems centered on extremely large TVs.” (Americans For Tax Reform: Just In Time For March Madness, California Nanny Staters Want To Ban Plasma Televisions. 3/26/09)

“Taking away the opportunity to sell the most desirable and more profitable product (generally the larger high-performance television) seriously impacts the revenue and profit levels necessary to sustain a viable business plan in the state of California.” (CA Technicians: 2008 Rulemaking Proceeding On Appliance Efficiency Regulations. 1/19/09)

“What we need during times like these is for the state to remove road blocks for small businesses like mine, not add more.” (Fox & Hounds Daily: Big-Screen TV Ban will Hurt Small Business. 7/7/09)

“...part and parcel of California’s anti-business climate. ‘The Golden State’ is known for its hostility toward businesses. Forbes ranked California 40th in its 2008 Best States for Business. The Small Business & Entrepreneurship Council put California 49th in business friendliness (ahead of only New Jersey and Washington DC). And Chief Executive Online placed Cali dead last in its Best and Worst States for Business.” (ECNMag.com: Proposal Could Ban the Sale of Plasma TVs in California. 3/30/09)

CONSUMERS WILL BE DRIVEN TO ONLINE AND ACROSS STATE LINE RETAILERS.

“Do the geniuses on this commission not think that California residents know how to order the TV of their choice via the internet, or failing that to drive across state lines and make their purchase? Are they naive enough to not understand that enterprising individuals will drive to neighboring states, buy a dozen banned televisions and return to California to sell them? The end result will simply be further erosion of sales tax revenues for a state already in deep financial trouble.” (Common Sense Blog: Big Brother Is After Your TV Next!, 4/9/09)

“The CEC’s efforts to regulate energy-hungry TV sets in California won’t stop consumers from buying the model they want from their favorite online retailer or on a shopping trip to Las Vegas California will consequently lose jobs tied to TV sales, distribution and installation and see a decline in tax revenue associated with the sale of these big-ticket items.” (Pushed to the edge—The Energy Commission’s plan to ban big screen TVs. 11/5/09)

“So, the proposed regulation acts as a stimulus package of tax revenue and jobs for neighboring states, without delivering the full intended benefits of a greener California.” (Opinion: Energy regulations for TVs would hurt California’s economy. 10/21/09)

“Our principal concern with the proposed regulations remains the impact of a California-only energy efficiency standard on the documented trend toward increasing internet sales of televisions. Based on the data cited in our October 20, 2009, letter...it is reasonable to expect that the proposed regulations would accelerate this trend further eroding in-store sales and associated state and local tax revenues.” (Best Buy Supplemental Comments on CEC Proposed Rulemaking on Television Efficiency Standards. 11/2/09)

“As we have discussed, a California consumer shopping on-line at BestBuy.com could see a different assortment of product than a consumer in another state. Discriminating internet shoppers seeking particular models or features that are not available from bricks and mortar California retailers will simply go elsewhere to make their purchases.” (Best Buy Supplemental Comments on CEC Proposed Rulemaking on Television Efficiency Standards. 11/2/09)

PRICES WILL INCREASE – AND CONSUMER CHOICE WILL DECREASE.

“The negative economic consequences to this kind of policy don’t begin to breach the issues of consumer choice and individual liberty that would be severely impacted by the implementation of this kind of ban.” (Capitol Weekly: Proposed big screen TV ban would hurt California economy. 7/23/09)

“... [T]he commission claims, '[T]he state is not banning any type of TV. Consumers have the freedom to choose any type and size of television that meets the efficiency standard.' In other words, buy any kind of TV – as long as it's the kind they want you to buy.” (Orange County Register: Big Brother-Approved TVs. 4/26/09)

“A Zogby International survey found that 57 percent of Californian’s are against the proposal, and 59 percent believe that picking a television should be the consumer’s choice—not the government’s decision.” (TV energy regulations will harm innovation. 11/3/09)

“Even Vizio, a company that supports the regulations, has stated that the cost of producing a TV could increase by tens of dollars under the proposed regulations. By the time those TVs reach consumers, the cost increase could be in the hundreds.” (Opinion: Energy regulations for TVs would hurt California’s economy. 10/21/09)

“Sony strongly believes that the Commission should not promulgate a regulation that will increase the overall cost of the covered products to consumers. Based on existing data, Sony believes that there will be a significant increase in cost to the consumer. Television manufacturers will see an increase in the cost of compliance due to increased research and development, component sourcing, design and development.” (Sony RE: Docket No 09-AAER-1C. 11/2/09)

COMPETITION LEADS TO EFFICIENCY – REGULATIONS STIFLE INNOVATION.

“This could affect the future of home entertainment for the entire world.” (WesleyTech.com: California proposes strict energy usage limits on televisions. 7/15/09)

“We certainly support making household electronics more efficient. But less-drastic federal rules have yielded steady gains on this front. The California approach of demanding a quick forced transition is completely ignorant of how electronics manufacturing works and of the time it takes to develop new technology and sell off existing inventory.” (San Diego Union Tribune: Greens gone wild. 3/30/09)

“TV manufacturers pour millions of dollars into innovation yearly and are making sets that automatically use less energy in a darkened room and switch off standby mode after a period of disuse. But, rather than let nature and consumer choice take its course, the CEC must be seen as acting. For bureaucracies that don’t act are soon acted upon by politicians.” (Big Hollywood: California To Ban TV: But Not For Good Reason (like there’s nothing decent to watch. 3/28/09)

“Perhaps more important, some costs are by their nature unknowable. For many economic regulations, for instance, the major cost may not be any direct burden on consumers or businesses, but

constraints on innovation. There simply is no way to assess such losses – you can't measure inventions that never were created. In today's 21st century economy, these unmeasurable costs are perhaps more harmful than the measurable burdens." (James L. Gattuso, Senior Research Fellow at Heritage Foundation)

REGULATING TV ELECTRICITY USAGE IS UNNECESSARY.

"Retailers share in the goal of increased energy efficiency, but the CEC's proposal shows a clear misunderstanding of the consumer electronics industry and the achievements of consumer-focused programs already in place." (Sacramento News And Review: Groundhog Daze. 3/19/09)

"Along with manufacturers, retailers are already at the forefront to make more energy-efficient consumer products available." (CA Technicians: 2008 Rulemaking Proceeding On Appliance Efficiency Regulations. 1/19/09)

"...recent TV growth has focused on LCDs and other 'greener' TVs. Energy-hogging TVs are on their way out, without the help of the government or an overriding desire by consumers to own energy-efficient TVs." (Wired: California Proposes Ban on Energy-Hogging HDTVs Starting in 2011. 3/29/09)

"Has California's Energy Commission heard of the fed's ENERGY STAR specification? Not to mention, the number of flat-panel TVs with green features is growing at a rapid rate. Research shows 20 percent of flat-panel shipments in 2008 had green features, and this number is expected to soar to 70 percent by 2012." (Electronic House: Calif. Considers Ban on Big Screen TVs. 3/25/09)

"But the sad thing is that they are regulating TV sets based on old facts. Today's TVs use less energy thanks to years of voluntary industry efforts and the highly successful federal Energy Star program. In fact, the largest TVs use about two light bulbs worth of energy. If you simply turn off the lights when watching TV or reduce the brightness controls, you can save more energy than any of the artificial restraints the CEC is mandating." (Opinion: Energy regulations for TVs would hurt California's economy. 10/21/09).

"Power consumption has been going steadily down for years. Some current 42-inch plasmas consume about half as much power (142 watts) as a 1991 CRT (310 watts) and the plasma is twice as big. Several manufacturers in Japan have already begun to tout things like automatic shut off to save power." (Adopt or Defer? The Fight Over TVs in California Continues Tomorrow. 11/3/09)

"In less than two years the energy efficiency of Energy Star TVs has improved by 41 percent. These successful efforts resulted from competition among manufacturers to reduce costs to consumers in the global marketplace—not government mandates. By combining voluntary industry efforts, new initiatives to educate and encourage consumers to conserve TC energy and new requirements related to energy-saving features, the CEC can minimize costs to consumers and avoid economic harm to California and the damage these regulations will cause to technological progress, design freedom, retailer interest, and consumer rights." (CEA calls on California regulators to work cooperatively on TV energy savings. 11/2/09)

“Green is good, but simply calling any onerous new regulatory proposal ‘green’ does not make it good for the environment or good for consumers...this ban on new and evolving TV technologies is inconsistent with consumer behavior, with economics and with fact-based decision making. It is bad for California, bad for energy savings, bad for innovation and bad for the phenomenally successful Energy Star program.” (CEA calls on California regulators to work cooperatively on TV energy savings. 11/2/09)

CALIFORNIA SHOULD FOCUS ON THE SMART ALTERNATIVES - SOME OF WHICH ARE ALREADY IN PLACE AND WORKING.

“At the Commission’s December 2008 workshop, CEA highlighted several alternatives... [which] would present less administrative and economic costs to the State of California and also be long lasting in their beneficial impact on the marketplace. Moreover, most of these alternative approaches outlined below, which are not mutually exclusive, would contribute significantly to California’s statewide greenhouse gas emissions reduction goals.” (Consumer Electronics Association: Post-Hearing Comments Regarding CEC Staff Draft Report And Proposal For Appliance Efficiency Standards For Televisions. 1/19/09)

Examples of Alternatives: ENERGY STAR Program, California DTV Acceleration Program, Automatic Power-Down, Requirement For An "Energy-Saving Move" or "Forced Menu," And Adjusting/Lowering The Contrast And Brightness Settings On The Existing Stock Of Televisions. (Consumer Electronics Association: Post-Hearing Comments Regarding CEC Staff Draft Report And Proposal For Appliance Efficiency Standards For Televisions. 1/19/09)

“[R]ebates could be the way to go with TVs, too. Rather than require all TV makers to find ways to cut power use, reward the ones that can do it by helping consumers buy their product. The money could come from the power-plant construction fund. With reduced operating costs, some extra-efficient TVs could prove real bargains.” (Monterey Country Herald: Editorial: Big TVs The Latest In Federal Meddling, 4/19/09)

“The Governor and the Legislature need to step up and stop these kinds of aggressive actions by powerful state boards and commissions that will negatively impact California’s economic recovery. We are in a very challenging time economically for Californians, and for California government. This means that not only the policy that comes out of the law-making process need to reflect this paradigm, but the regulations that come out of state government also need to prioritize economic growth over other policy agendas.” (Capitol Weekly: Proposed big screen TV ban would hurt California economy. 7/23/09)

“New initiatives, like a statewide advertising campaign to encourage consumers to change preset viewing modes and the accelerated retirement of old, inefficient TVs, combined with industry-supported regulations, like auto power-down and forced brightness menu functions, will save as much or more energy than the commission’s proposed regulations.” (TV energy regulations will harm innovation. 11/3/09)

“Voluntary programs reward innovative manufacturers. Government mandates remove the incentive to create, because they set the lowest-common denominator and, thus, reduce the inducement to strive to be the best within an industry.” (Sony RE: Docket No 09-AAER-1C. 11/2/09)