



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

Division of Enforcement
Bureau of Consumer Protection

April 6, 2005

VIA CERTIFIED MAIL

Michael Boulding, President
Reflective Insulation Manufacturers Association
4519 E. Lone Cactus Drive
Phoenix, Arizona 85050

Dear Mr. Boulding:

Thank you for your February 28, 2005 letter regarding the labeling and advertising of reflective insulations. We appreciate the efforts RIMA has made to provide its members and consumers with information on R-value claims made for foil-faced bubblepack or foam products used in concrete floor systems. To aid the compliance efforts of industry members, I am providing more detailed information about this issue and the FTC's Rule for Labeling and Advertising of Home Insulation ("R-value" Rule) (16 C.F.R. Part 460). Please feel free to distribute this letter to your members and others who may have an interest in the issue. We strongly urge industry members to review their claims for these products if they have not done so already and to ensure that their advertising does not overstate the performance of these materials when installed under concrete.

Section 460.5(b) and (c) of the Rule requires industry members to use specific test procedures for measuring the R-value of reflective insulations with single and multiple sheets. The Rule also contains requirements for measuring and labeling the "system R-values" of insulation materials with foil facings (§ 460.5(d)). Manufacturers must provide R-value information for their insulation on labels, in fact sheets, and, in certain circumstances, in advertising.

It is the staff's understanding that some industry members have marketed foil-faced bubblepack or foam products used in concrete floor systems claiming that such products provide a relatively high R-value (e.g., R-5 to 10) and provide significant thermal performance through their reflective qualities. The FTC staff is concerned that such claims may be misleading and could harm the ability of builders and other consumers to make appropriate insulation choices. It is well accepted that reflective insulations must have an air space adjacent to the reflective material to be effective. Such air spaces are unlikely to exist under concrete slabs. We are unaware of data to suggest 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 is unlikely to function as a reflective insulation. Instead, any significant insulation benefits are likely to stem from the product's mass (not reflective) insulation qualities. As the FTC staff

explained in "Staff Compliance Guidelines" published in 1980,¹ a reflective product installed without the benefit of an adjacent airspace will exhibit what can be termed its "material R-value." This is simply the R-value of the mass insulation material, as tested in accordance with a procedure listed in the R-value Rule at 16 C.F.R. § 460.5(a) (e.g., American Society of Testing and Materials ("ASTM") C 518). If the same faced product is installed in conjunction with an airspace, it may have what is called a "system R-value," which includes benefits of the material's reflective qualities in addition to its mass insulation properties.

The FTC's R-value Rule specifically recognizes that mass insulation materials with reflective facings can have two different R-values, depending on the manner of installation. Section 460.5(d) of the Rule states that "[f]or insulation materials with foil facings, you must test the R-value of the material alone (excluding any air spaces) under the methods listed in [section 460.5(a) of the Rule]." To get the system R-value, the Rule allows manufacturers to test the system under ASTM C 236 or ASTM C 976.² Alternatively, the Rule allows manufacturers to determine the system R-value by adding "the tested R-value of the material and the R-value of the airspace." If this approach is followed, manufacturers must determine the R-value of the airspace using the procedures for measuring the R-value of reflective insulations in section 460.5(c) of the Rule.

Sections 460.12(b)(5) and (6) and 460.13(c) of the Rule require that the material R-value be disclosed on labels and fact sheets, and, under certain circumstances, in advertisements. Sections 460.12(b)(6) and 460.13(c) allow the additional disclosure of the system R-value. Because the system R-value of these materials will depend on a number of factors, such as the thickness and configuration of the air space and the direction of the heat flow, the manufacturer must disclose clearly and conspicuously the conditions under which the stated system R-value can be attained in connection with any system R-value claim. A mere description of the system R-value disclosure, such as "system R-value of 6.2," will not comply with the Rule. Similarly, the simple notation that the system R-value is "as per ASTM C 518" will not suffice. Rather, section 460.12(b)(6) the Rule requires that manufacturers specifically disclose the thickness of the airspace and the specific installation conditions and configuration necessary to obtain the system R-value.

We have enclosed a copy of the FTC's R-value Rule and the 1980 staff compliance guidelines for your information. Industry members who violate the Rule 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

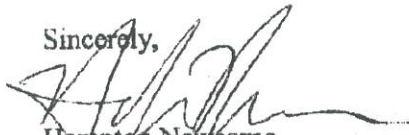
¹ 45 Fed. Reg. 68920, 68922 (Oct. 17, 1980).

² In 2003, the Commission proposed Rule amendments that would slightly alter and update the testing requirements for reflective insulations (e.g., replace references to ASTM C 236 and C 976 with ASTM C 1363) but would not change the Rule's basic requirements. See, 68 Fed. Reg. 41872 (July 15, 2003). The Commission has not issued final amendments at this time.

or any individual Commissioner.

We hope that your members will find this information helpful. Once again, we appreciate your efforts in this area. If you have any questions, please contact me at (202) 326-2889.

Sincerely,



Hampton Newsome
Attorney

Enclosures as stated