



October 19, 2015

VIA EMAIL ONLY: BVM2013STD0022@ee.doe.gov

Ms. Brenda Edwards
U.S. Department of Energy
Building Technologies Program,
Mailstop EE-5B
1000 Independence Ave., SW
Washington, DC 20585-0211

Re: Formal Comments
Department of Energy's Energy Conservation Standards: Notice of Proposed Rulemaking
for Beverage Vending Machines
Docket #: EERE-2013-BT-STD-0022
RIN: 1904-AD00

Dear Ms. Edwards,

The National Automatic Merchandising Association ("NAMA") respectfully submits these comments in response to the Department of Energy's ("DOE") Energy Efficiency and Renewable Energy Office (EERE) Notice of Proposed Rulemaking (NOPR) on Energy Conservation Standards for Refrigerated Bottled or Canned Beverage Vending Machines.

NAMA is the national trade association for refreshment services, supporting the vending, coffee service, micro market and foodservice management industries including on-site, commissary, mobile and catering. Our membership is comprised of service companies, equipment manufacturers and suppliers of products and services to operating service companies. NAMA was founded in 1936, and the basic mission of the association is to collectively advance and promote the automatic merchandising and coffee service industries. NAMA supports a network of more than 30 affiliated State Councils encompassing 36 states, where the vending, coffee service, micro market and foodservice management industries focus on local issues and concerns as well as gathering frequently for networking opportunities.

As the DOE plans to update the energy conservation standards for Class A and Class B beverage vending machines, NAMA appreciates your consideration of our comments. These comments will attempt to answer the questions presented in the NOPR by providing general industry information. NAMA also reminds the DOE that pursuant to the Energy Policy and Conservation Act of 1975 (EPCA), any new or amended energy conservation standard must be designed to achieve the maximum improvement in energy efficiency that is technologically feasible and economically justified. NAMA believes that the energy conservation standard proposed in this NOPR is potentially not technologically feasible and not economically justified.

NAMA notes for the record that it and nearly every impacted vending machine manufacturer requested a sixty (60) day extension to file these comments. The DOE issued no response to these requests. These requests were specifically made due to the extent of time needed to compile comments in response to the NOPR and issues raised during the September 29, 2015 stakeholder meeting. This extension, not responded to by DOE, would have provided the industry with time in addition to the three week period following the stakeholder meeting to research and provide the most valuable information. We believe that the lack of response to this request for extension posed a hardship on many small business machine manufacturers to file appropriate comments. These small businesses have limited staff to research the impacts of the new test procedures (just released by DOE in August of this year) and the assumptions and calculations used by DOE in the accompanying Technical Support Document as well as other information requested which requires employee time and energy.

Further, it is important that DOE contemplates that at the same time that these new standards are being proposed, vending machine manufacturers are directly impacted by other regulations recently issued pursuant to the Environmental Protection Agency's Significant New Alternatives Policy (SNAP) program under Clean Air Act (CAA) Section 612. The EPA's final rule, posted on April 10, 2015, banned the use of the industry's main refrigerants, R134A and R404A, used in vending machines by January 1, 2019 and approved three alternatives which are not currently heavily integrated into the U.S. manufacturing process.

Due to various factors, including increased regulations, the vending industry has experienced many difficult challenges over the last five to ten years. The proposed new DOE standards will cause substantial negative impact on employment and general business "health" in the entire vending industry. The continual issuance of these ever-more-difficult-to-reach standards and regulations continues to decrease vending industry jobs, stunt and curtail innovative developments, and ultimately leads to an environment that is not conducive to economic growth or vending company well-being. These facts, coupled with the actuality that the vending industry has reduced energy consumption on machines by over 60% over the last ten years or so, colors the new DOE regulations as an undue burden on the vending industry. Finally, we believe that the new ENERGY STAR standards will be even more restrictive than the proposed DOE specifications. These new DOE standards are punitive on an industry that has already substantially reduced energy consumption and will ultimately severely impact businesses, industry and consumers.

In addition to the financial impact, employee education and training challenges, and other capital investments of changing refrigerants and updating their manufacturing processes and facilities vending machine manufacturers will also be required to concurrently attempt to reach this new DOE standard. **Therefore, NAMA would ask that any updates in energy conservation standards made pursuant to this NOPR not be effective and enforceable before 2022.** This will provide flexibility, needed time and relief of financial burden for the vending machine manufacturers, vending operators and their consumers, the majority of which are recognized as small businesses by the U.S. Small Business Administration (SBA).¹ Further, if the industry had to meet the EPA's SNAP rule requirements, implement new DOE test standards procedures, and develop new systems to meet this proposed change in Maximum Daily Energy Consumption (MDEC) at the same time, the increase in costs for new machines would pose a burden on

¹ See DEPARTMENT OF HEALTH AND HUMAN SERVICES Food and Drug Administration 21 CFR Parts 11 and 101 [Docket No. FDA-2011-F-0171] RIN 0910-AG56 Food Labeling; Calorie Labeling of Articles of Food in Vending Machines. "As for the comments suggesting tax incentives for small businesses, we recognize that nearly 97 percent of the covered vending machine operators are small businesses, and have provided flexibility in the final rule to reduce the burden on small businesses." <http://www.gpo.gov/fdsys/pkg/FR-2014-12-01/pdf/2014-27834.pdf>

vending machine operators who purchase the machines.

Below are comments specifically addressed to the issues raised in DOE's NOPR and its September 29, 2015 stakeholder meeting.

1. DOE requests comment on the proposed amendment to the Class A equipment class definition. Specifically, DOE requests comment on whether the Proposed Rules presence of a transparent front is always correlated with fully cooled equipment.

Comment: The presence of a transparent front does not always correlate with fully cooled equipment. At least one manufacturer has developed fully cooled vending machines that are solid front machines. Applying Class B test specifications to this type of fully cooled machine is not applicable. Testing this type of machine to Class A specifications is more appropriate and is consistent with the original intent of the DOE Class A definition. The new definition also requires a glass panel, thereby excluding the use of digital display screens, or other branding methods in Class A equipment.

2. DOE requests comment on the proposed optional test protocol to determine transparent and nontransparent surface areas and whether Class A equipment typically has at least 25 percent of the surface area on the front side of the unit that is transparent or if another quantitative threshold would be more appropriate.

Comment: We request the DOE refer to the comment included to question 1.

3. DOE requests comment on the proposed definition of transparent. Specifically, whether 45 percent light transmittance is an acceptable value for the glass or other transparent materials that are typically used to construct the front panel on Class A equipment.

Comment: Forty-five percent light transmittance may be acceptable at this point in time but possibly inadequate in the future if better low-emissivity coatings are developed.

4. DOE requests comment on the proposed amendment to the definition of "combination vending machine."

Comment: The DOE's proposed amended definition of a "combination vending machine" is inconsistent with industry's definition and understanding and EPA's ENERGY STAR definition. NAMA urges DOE to change this definition to one that is consistent with industry understanding and business practices.

A small percentage, if any, "combination vending machines" have compartments separated by a "**solid**" partition. Instead, many of them contain bottled or canned beverages in a section of the vending machine that is cooled to a lower temperature and another section that is cooler than ambient temperature, but not refrigerated at the same temperature as the beverage section. For example, some "combo" machines currently being manufactured and used by vending operators, provide for a cold air supply chamber and/or space that is capped off roughly half-way up the product storage space – directly below the 3rd product tray. Also at that level, an insulated panel extends across the product space to insulate the lower "refrigerated" space from the upper non-refrigerated space. The space between the front of the trays and the front window is open and air from the two spaces comingles there – thus the non-refrigerated space does, over several

hours, pull down to nearly the same temperature as the refrigerated space. This “combo” machine would NOT meet the DOE’s definition of a combination vending machine causing even more confusion and potential liability to the industry and manufacturers. The industry also includes “combination machines” which contain two modular units used together in a stacked configuration with specific refrigeration controls installed differently than most other traditional combination machines. Further proof that DOE should confer with industry and assess all “combination” or “combo” machines manufactured in the vending channel”

Further, slide 32 of the PowerPoint presented at the stakeholder meeting indicates that no combination vending machines have been torn down or tested. NAMA would highly recommend that testing of combination vending machines be completed before standards are imposed on the industry. This ensures that standards imposed are tested prior to enforcement, which is a must for the industry.

EPA’s ENERGY STAR definition of “combination vending machine” is: A refrigerated bottled or canned beverage vending machine that also has non-refrigerated volumes for the purpose of vending other, non-“sealed beverage” merchandise. In this definition, “volume” refers to a separate, non-refrigerated compartment within the machine. A self-contained system designed to accept consumer payments and dispense bottled, canned, and other sealed beverages at appropriate temperatures without on-site labor intervention.”

NAMA would recommend DOE replicate the EPA’s ENERGY STAR definition of combination vending machine which would provide consistency in definitions across both programs that are used frequently by vending machine manufacturers.

5. DOE requests comment on the proposed definition for Combination A and Combination B.

Comment: NAMA recommends DOE see comment to question 4.

6. DOE also requests comment on DOE’s proposal to apply the optional test protocol for determining the surface area and transparency of materials to combination vending machines, except that the surface areas surrounding the refrigerated compartments that are not designed to be refrigerated would be excluded.

Comment: NAMA recommends DOE closely review comments from vending machine manufacturing companies on this topic and work with them during the final rule making process to obtain this information.

7. DOE requests comment on its updated estimate of market share for combination vending machines.

Comment: NAMA does not have the data to comment on this estimate. However, NAMA would relay that an estimated 60% of vending machines in the marketplace are beverage vending machines.

8. DOE requests comment on its position that machines capable of vending perishable goods do not warrant separate classes due to their physical similarity to refrigerated beverage vending machines used to vend non-perishable products.

Comment: Class A and Class B machines vending perishable goods should have a separate class because they must maintain a temperature that cannot be raised to achieve the “low power mode credit”. This will inhibit the ability of manufactures to meet the proposed new standards.

9. DOE requests feedback on the manufacturer markup values used to convert MPC to MSP.

Comment: NAMA recommends DOE closely review comments from vending machine manufacturing companies on this topic and work with them during the final rule making process to obtain this information.

10. DOE requests comment on whether equipment is tested with all lighting and accessories on for the duration of the test and no low power modes or energy management systems enabled.

Comment: NAMA urges DOE to allow energy management systems (EMS) to be enabled during testing. The primary function of an EMS is to automatically turn off equipment when it is not needed. If energy conservation is the goal of the DOE’s proposed standards, allowing EMS during testing assists DOE in reaching their goals because it encourages the use of EMS in the industry, creating lower levels of energy consumption. Currently, equipment is tested with all lighting and other accessories “on”, and the energy consumption numbers do not include payment systems.

11. DOE requests information on whether the current standard level for Class A and Class B machines is achievable without the use of any energy management systems.

Comment: At least one machine manufacturer has achieved the current standard level without energy management systems employment. Many of the technologies DOE references as possible improvements have been adopted. For example, to meet the current standards some industry manufacturers were forced to use electrically commutated evaporator fan motors (ECM), split capacitor condenser fan motors, LED lighting, and evaporator fan controls.

12. To refine its engineering analysis for beverage vending machines further, DOE requests comment and data from interested parties on several topics related to the refrigerants analyzed in the engineering analysis and their relative performance characteristics. Specifically, DOE requests information on the efficiency of CO₂ and propane compressors in BVM applications.

Comment: Some manufacturers indicate that to date, their experience shows that CO₂ systems consume about 15% more energy than their R134A counterparts. However, NAMA recommends DOE closely review comments from vending machine manufacturing companies on this topic for further clarification and data. DOE is also reminded that this information may not be fully accessible at this time due to its current lack of use by vending machine manufacturers.

13. DOE requests comment on the conclusion that both the current standard level and all of the efficiency levels analyzed could be met by equipment using any refrigerant.

Comment: Some manufacturers have employed most of the technologies that DOE proposes for energy reductions. They do not believe that they can meet the energy standard using any of the listed refrigerants. NAMA urges DOE to work directly with machine manufacturers during the final rule making process to ensure that the DOE’s conclusion in this specific request for comment is

accurate. It is imperative that DOE, working in conjunction with the industry, answer this question correctly and reach an efficiency level that can be met by equipment using any refrigerant. If not, the impacts could be devastating to the industry and its consumers.

14. DOE requests information on the additional costs associated with CO₂ and propane refrigeration systems, respectively, including but not limited to additional costs for the compressor, evaporator, condenser, and refrigerant tubing.

Comment: NAMA recommends DOE closely review comments from vending machine manufacturing companies on this topic and work with them during the final rule making process to obtain these additional cost estimates. NAMA also reminds DOE that these costs are being borne by the industry to comply with EPA's SNAP rules concurrent with this proposed rule.

15. DOE requests comment and information on the use of propane, isobutane, and other hydrocarbon refrigerants in current commercially available BVM models or on significant research and development efforts on the part of domestic BVM manufacturers to commercialize this technology in the near future.

Comment: NAMA recommends DOE closely review comments from vending machine manufacturing companies on this topic and work with them during the final rule making process to obtain this information.

16. DOE requests comment on the likelihood of manufacturers using propane versus isobutane refrigerant since both have been added to the list of acceptable substitutes for use in BVM applications by EPA SNAP. If it is likely that isobutane would also be implemented in BVM applications, DOE requests similar information on the efficiency of isobutane compressors and additional costs associated with isobutane refrigeration systems, including but not limited to additional costs for the compressor, evaporator, condenser, and refrigerant tubing.

Comment: NAMA recommends DOE closely review comments from vending machine manufacturing companies on this topic and work with them during the final rule making process to obtain this information.

17. DOE requests comment on whether the conversion to use of any alternative refrigerant may impact the availability or relevance of any design options currently observed in equipment on the market.

Comment: NAMA recommends DOE closely review comments from vending machine manufacturing companies on this topic and work with them during the final rule making process to obtain this information.

18. DOE requests data on the use of variable speed compressors in beverage vending machines.

Comment: NAMA recommends DOE closely review comments from vending machine manufacturing companies on this topic and work with them during the final rule making process to obtain this information.

19. DOE requests comment on distribution channels for beverage vending machines.

Comment: NAMA recommends DOE closely review comments from vending machine manufacturing companies on this topic and work with them during the final rule making process to obtain this information.

20. DOE requests comment on the conclusion that data from college campuses are reasonably representative of BVM locations nationally and on their use in estimating the proportion of Class B and Combination B beverage vending machines installed outdoors.

Comment: NAMA urges the DOE to expand the collection of data to include college campuses represented from the Northeast and Deep South. There are no data points from locations northeast or southeast of Charlotte, North Carolina. The estimate of Class B and Combination B beverage vending machines installed indoors would be more accurately reflected with more data from the omitted regions mentioned above.

21. DOE requests comment on its decision to disregard the adjustment factors calculated in the preliminary analysis thereby simplifying the energy use analysis by using the national average AEC values.

Comment: NAMA recommends DOE closely review comments from vending machine manufacturing companies on this topic and work with them during the final rule making process to obtain this information.

22. DOE requests comment regarding whether the analysis should account for the impact of any incremental energy use associated with cold weather heaters on the national average energy consumption of Class B and Combination B equipment.

Comment: NAMA recommends DOE closely review comments from vending machine manufacturing companies on this topic and work with them during the final rule making process to obtain this information.

23. DOE also requests data on the incidence and control methodology of cold weather heaters in BVM equipment installed in cold climates.

Comment: NAMA recommends DOE closely review comments from vending machine manufacturing companies on this topic and work with them during the final rule making process to obtain this information.

24. DOE requests comment on the energy use analysis methodology used to estimate the AEC of Class A, Class B, Combination A, and Combination B beverage vending machines located indoors and outdoors, as applicable.

Comment: NAMA recommends DOE closely review comments from vending machine manufacturing companies on this topic and work with them during the final rule making process to obtain this information.

25. DOE requests comment on any other variables DOE should account for in its estimate of national average energy use for beverage vending machines.

Comment: NAMA recommends that DOE use Energy Management Systems as a variable if not already considered.

26. DOE requests comment on the maintenance and repair costs modeled in the LCC analysis and especially appreciates additional data regarding differences in maintenance or repair costs that vary as a function of refrigerant, equipment class, or efficiency level.

Comment: NAMA recommends DOE closely review comments from vending machine manufacturing companies on this topic and work with them during the final rule making process to obtain this information.

27. DOE requests comment on the assumed lifetime of beverage vending machines and if the lifetime of beverage vending machines is likely to be longer or shorter in the future.

Comment: NAMA believes that the lifetime of a beverage vending machine could be longer in the future due to many vending operators choosing to merely “retrofit” their machines with new doors rather than have the expense of purchasing an entirely new machine. However we do not have specific data on this trend. This is a phenomenon happening due to challenging economic times and increased operational and regulatory costs.

28. DOE requests comment on its assumption that a beverage vending machine will typically undergo two refurbishments during the course of its life and if refurbishments are likely to increase or decrease in the future.

Comment: NAMA recommends DOE closely review comments from vending machine manufacturing companies on this topic and work with them during the final rule making process to obtain this information. However, as stated in comment to question 27, retrofits are common within the industry.

29. DOE also requests comment on the applicability of this assumption to all equipment classes.

Comment: NAMA does not have information on the applicability of this assumption to all equipment classes.

30. DOE requests further input or evidence regarding any technology options considered that would be expected to reduce overall equipment lifetimes and if so, by how much.

Comment: NAMA recommends DOE closely review comments from vending machine manufacturing companies on this topic and work with them during the final rule making process to obtain this information.

31. DOE requests comment on its assumption that all baseline Class A and Class B propane and Class A CO2 equipment would be EL 1.

Comment: NAMA recommends DOE closely review comments from vending machine manufacturing companies on this topic and work with them during the final rule making process to obtain this information.

32. DOE requests comment on its assumption that Combination A and Combination B beverage vending machines have efficiency distributions similar to Class A and Class B equipment because

manufacturers will use the same cabinet and similar components in the combination machines as the conventional Class A and Class B equipment.

Comment: NAMA is concerned that DOE's definition of combination vending machines is not consistent with the assumption described in this request for comment. If DOE's definition of combination vending machines states "there are two or more compartments separated by a solid partition and one is refrigerated and one is not", that may make the assumption that they have efficiency distributions similar to Class A and Class B equipment false.

33. DOE requests comment on its assumptions regarding historical shipments between 1998 and 2014.

Comment: NAMA recommends DOE closely review comments from vending machine manufacturing companies on this topic and work with them during the final rule making process to obtain this information.

34. DOE also requests data from manufacturers on historical shipments, by equipment class, size, and efficiency level, for as many years as possible, ideally beginning in 1998 until the present.

Comment: NAMA recommends DOE closely review comments from vending machine manufacturing companies on this topic and work with them during the final rule making process to obtain this information.

35. DOE requests comment on its assumptions regarding future shipments. Specifically, DOE requests comment on the stock of BVM units likely to be available in the United States or in particular commercial and industrial building sectors over time.

Comment: NAMA is concerned that DOE's assumptions regarding future shipments are not based on reliable data. NAMA is particularly concerned that DOE's Stakeholder Meeting PowerPoint slide 90, entitled Future Shipments Input and Methodology, incorrectly portrays the vending industry as not providing or selling products that meet efforts to improve employee health, patient health at hospitals and changes in selections due to the United States Department of Agriculture (USDA) Smart Snacks in Schools Program.

The truth is, beverage and snack companies are expanding their offerings in the vending channel to meet these new standards, restrictions, rules and customer demands across the country. Further, NAMA's industry-led nutrition disclosure program Fit Pick recently expanded its standards to add Fit Pick SELECT, a standard that mirrors the USDA's Smart Snacks in Schools Program. NAMA would urge the DOE to attend its annual trade show to see the many new products showcased annually that meet ever-changing nutritional guidelines for vending machines in public and private locations. The DOE references reductions in future shipments due to "soda vending machine bans". If a location restricts certain beverages from being sold that doesn't necessarily necessitate the beverage vending machine being removed. Beverage companies have many offerings that provide consumer choice and many of the machines in these locations will merely change their offerings negating the need to remove the machine. NAMA urges the DOE to reassess their assumptions of future shipments with data points that are based on fact and not conjecture.

Further evidence of the industry's future growth and success related to nutrition is found in a December 2014 industry census completed by Technomic, Inc. This industry census asked refreshment services operators (vending, office coffee service (OCS), and micro markets) to look ahead 3 years and provide the percentage of annual sales growth/decline they expect their organization to see from vending. Results found that vending operators' enthusiasm for growth is very high across all channels. In fact, 60% of operators expect vending revenues to grow by 2017, and the median revenue increase is 15%; 23% of operators expect vending revenues to be flat by 2017; 15% of operators expect vending revenues to decline by 2017, and the median revenue decrease is 10%; 2% of operators had no response. This data indicates that DOE's assumptions regarding future shipments should be re-evaluated.

This same industry census also found further data that is contradictory to DOE's assumptions that future shipments will dramatically decrease due to a lack of the industry to meet demands related to health and wellness and "better for you" products in the refreshment services channel. The study found that health and wellness is important to vending operators and that operators actively promote "better for you" items with their customers, making it an important component in their overall marketing plan. Sixty-five percent of operators stated that they promote better-for-you beverages in their portfolio while seventy-six percent promote better-for-you snacks in their portfolio and fifty-five percent promote better-for-you prepared foods in their portfolio. Further data indicating that DOE's estimates of future shipment declines due to issues related to nutrition and health restrictions in the vending channel need to be re-evaluated.

The industry study includes further data that underscores the industry's commitment to providing choice and products that meet consumer and location demands related to nutrition; therefore not requiring large numbers of beverage vending machines to be removed from locations as acclaimed by DOE in their future shipments assumptions. Data reveals that most operators have added new food or beverage items to address nutrition. Offering a nutritional program matching an accepted set of nutrition standards is increasingly important and most operators plan to implement a program within the next 12 months. Eighty-six percent of operators agreed with this statement: "in the past year, we have added food or beverage items to address concerns about nutrition". Sixty-one percent of operators agreed with the statement: "our organization has a program in place to match product offerings to an accepted set of nutrition standards". And, forty-eight percent of operator's organizations plan to implement a program in which they match product offerings to an accepted set of nutrition standards in the next 12 months.

The study summarized that the refreshment services industry is poised for great growth, providing outstanding products and convenience to Americans every day. NAMA would welcome the opportunity to provide a copy of the entire study referenced in these comments upon DOE's request. NAMA strongly suggest that DOE's future shipments assumptions are inaccurate and request that these assumptions be re-evaluated.

While NAMA does not believe that future shipments of new beverage vending machines will be as dramatically impacted as DOE suggests, we believe that future shipments may be negatively impacted by the increased number of micro markets. Micro markets are replacing traditional vending machines in some locations around the country. There are an estimated 10,000 micro markets operational at this time and NAMA does not have specific data as to the annual reduction

of beverage vending machines due to the expansion of micro markets in the refreshment services channel.

36. DOE also requests comment on the number of beverage vending machines that are typically installed in each location or building in each industry and if this is likely to increase or decrease over time.

Comment: Industry data compiled by Technomic, Inc. as of December 2014 estimates that there are 2.5 average vending machines per customer location. This data combines beverage and snack machines. NAMA is not sure if this will increase or decrease over time.

37. DOE requests comment on its assumptions regarding likely reduction in stock in different commercial and industrial building sectors in which beverage vending machines are typically installed.

Comment: NAMA is not aware of any situations in different commercial and industrial building sectors in which BVM's, other than the expansion of micro markets within the channel, as noted above in the comment to question 35. The impact may not be as substantial on future stock/shipments as once thought. Recent research indicates that while some micro market operators are converting former vending locations, most growth comes from adding new accounts and educating customers on the many benefits of a micro market installation. In fact, those operators cite growth of only 15% from conversions from vending machine locations.

38. DOE also requests comment on other factors that might be influencing an overall reduction in BVM stock and if this trend is likely to continue over time.

Comment: NAMA is not aware of any factors that might be influencing an overall reduction in BVM stock other than the expansion of micro markets within the channel as noted above. The micro market trend is expected to continue to expand over time.

39. DOE requests comment on the impact of the EPA SNAP rules on future shipments of beverage vending machines, by equipment class, refrigerant, and efficiency level.

Comment: NAMA would urge DOE to work closely with machine manufacturers to obtain accurate information on this request. DOE is reminded that at the same time that these new standards are being proposed, the vending machine industry, and more specifically vending machine manufacturers, are directly impacted by other regulations recently issued pursuant to the Environmental Protection Agency's Significant New Alternatives Policy (SNAP) program under Clean Air Act (CAA) Section 612. The EPA's final rule, posted on April 10, 2015, banned the use of the industry's main refrigerants, R134A and R404A, used in vending machines by January 1, 2019 and approved three alternatives which are not currently heavily integrated into the U.S. manufacturing process.

40. DOE requests comment on its assumptions regarding the relative market share of each refrigerant by equipment class.

Comment: NAMA recommends DOE closely review comments from vending machine manufacturing companies on this topic and work with them during the final rule making process to obtain this information.

41. DOE requests comment on the high and low shipments scenarios.

Comment: NAMA recommends DOE closely review comments from vending machine manufacturing companies on this topic and work with them during the final rule making process to obtain this information.

42. DOE requests comment on the impact of the recent EPA SNAP rulemakings changing the availability of certain refrigerants for the BVM application on future efficiency distributions.

Comment: NAMA recommends DOE closely review comments from vending machine manufacturing companies on this topic and work with them during the final rule making process to obtain this information.

43. DOE requests comment on the identification and analysis of beverage vending machine customer subgroups.

Comment: NAMA would suggest that customer subgroups for machine manufacturers should potentially include vending machine operating companies. Most corporate and manufacturing facilities provide vending machines to their employees through vending operating companies.

44. DOE requests manufacturers provide an estimate of the capital and product conversion costs associated compliance with DOE amended energy conservation standards.

Comment: NAMA recommends DOE closely review comments from vending machine manufacturing companies on this topic and work with them during the final rule making process to obtain this information. NAMA would remind DOE that the majority of machine manufacturers have been identified as small business entities based on the SBA standards. NAMA believes the impacts on this NOPR on small businesses requires compliance with all aspects of the Regulatory Flexibility Act and reminds DOE that it should provide a description of the steps the agency has taken to minimize the significant economic impact on small entities consistent with the stated objectives of applicable statutes, including a statement of the factual, policy, and legal reasons for selecting the alternative adopted in the final rule and why each one of the other significant alternatives to the rule considered by the agency which affect the impact on small entities was rejected.

NAMA urges the DOE to consider the impacts of the NOPR's proposed energy conservation standard and reduce its capital and product conversion costs associated with compliance on small businesses by seeking extra input on this issue from small business manufacturers.

45. DOE specifically requests feedback from industry regarding the product conversion costs associated with standards compliance for Combination A and Combination B equipment.

Comment: See comment for Question 44.

46. DOE requests manufacturers provide an estimate of the one-time investments required to transition to alternative refrigerants, such as CO2 and propane.

Comment: NAMA recommends DOE closely review comments from vending machine manufacturing companies on this topic and work with them during the final rule making process to obtain this information.

47. DOE requests that manufacturers provide sufficient detail such that DOE could model and verify these one-time costs related to the change in refrigerants, including the specific capital expenditures required and the potential redesign costs on a per platform basis.

Comment: NAMA recommends DOE closely review comments from vending machine manufacturing companies on this topic and work with them during the final rule making process to obtain this information. NAMA also suggests that much of this information is confidential and proprietary and should be obtained directly by DOE making contact with machine manufacturers.

48. DOE requests manufacturers provide information about the ability to coordinate one-time investments related to EPA Rule 20 compliance and conversion costs necessitated by the DOE energy conservation standards.

Comment: NAMA recommends DOE work directly with machine manufacturers to obtain this information. NAMA would remind DOE that compliance with the EPA Rule 20 and this proposed DOE energy conservation standard could be very costly to the industry and its consumers and should only be done in an extended phase-in approach, if done at all.

49. DOE requests comment on the proposal to clarify the calculation of the refrigerated volume for each BVM basic model.

Comment: NAMA recommends DOE closely review comments from vending machine manufacturing companies on this topic and work with them during the final rule making process to obtain this information.

50. DOE requests comments on the total annual direct employment levels in the industry for BVM production.

Comment: NAMA recommends DOE closely review comments from vending machine manufacturing companies on this topic and work with them during the final rule making process to obtain this information.

51. DOE requests comment on its preliminary conclusion that the proposed standard levels will not have any negative impact on the performance or utility of equipment available in the market.

Comment: NAMA recommends DOE closely review comments from vending machine manufacturing companies on this topic and work with them during the final rule making process to obtain this information.

52. DOE requests comment regarding any potential impacts on small business manufacturers from the proposed standards. In particular, DOE seeks further information and data regarding the sales volume and annual revenues for small businesses so the agency can be better informed about the potential impacts to small business manufacturers of the proposed energy conservation standards. DOE will consider any such additional information when formulating and selecting TSLs for the final rule.

Comment: NAMA recommends DOE closely review comments from small business machine manufacturing companies on this topic and work with them during the final rule making process

to obtain this information. NAMA also suggests that much of this information is confidential and proprietary and should be obtained directly by DOE contacting machine manufacturers. NAMA would urge the DOE to reach out to these manufacturers directly, outside of public comments, to receive this confidential information.

The proposed rule notes the requirements of the Regulatory Flexibility Act of 1980 (RFA) as amended by the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA), of agencies to prepare regulatory flexibility analyses and make them available for public comment, when proposing regulations that will have a significant economic impact on a substantial number of small entities. This proposed regulation would have a significant economic impact on our members, which are primarily small businesses. We believe that its overall impact will have a large enough economic impact on a substantial number of small entities triggering the requirement of a full analysis as set forth by the RFA.

NAMA reminds DOE that key issues noted by DOE from manufacturer interviews include manufacturers stating that complying with the current DOE efficiency standard for Class A equipment has been “difficult enough without having to switch to less efficient alternative refrigerants and that there is concern related to the availability of high-efficiency components.”

If these proposed energy conservation standards are imposed, they could potentially remove the market for “ENERGY STAR” vending machines because ENERGY STAR’s certified machine specifications would have to be revised to meet a conservation level more stringent than the ones proposed in this NOPR and unattainable in the industry. ENERGY STAR’s brand and energy conservation is important to the industry and its consumers. Imposing the proposed, stringent standard could create an atmosphere where the ENERGY STAR brand is removed from the marketplace - a step in the wrong direction.

In closing, NAMA would suggest that DOE review the European Vending Association’s Energy Management Protocol program as it may provide additional guidance related to testing of BVM’s in Europe that may be transferrable for use in the United States.

Thank you for your consideration of our comments.

Sincerely,



W. Eric Dell
Senior Vice President, Government Affairs