



AFG Industries, Inc.

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March 18, 2003

Mr. Richard H. Karney, P.E., Manager  
*Energy Star* Program  
Building Technologies Program  
Department of Energy  
Washington, D.C. 20685

Dear Mr. Karney:

AFG has been a supporter of *Energy Star's* educational charter since its inception, and have highly recommended your program to a wide variety of our residential window customers. I am sure that you are aware that we have had concerns about the program's performance criteria (from a scientific point-of-view), and opposed last year's proposal. We also continue to oppose the reincarnation of that proposal in the program's current options.

We do not believe that San Diego and New York City have similar energy requirements. I am sure that your records contain our recommendations, but we would be willing to review them with you if you believe that would assist in this process. I would also like to point out that AFG is the only low-emissivity coating manufacturer who designed their low-e product strategy to compliment the original *Energy Star* performance criteria.

While we maintain our reservations over the scientific criteria of the performance standards, we are willing to endorse the proposal with four geographic segments. We strongly believe that "appropriate performance" is the most effective energy savings strategy, and the program's second option delivers a greater result.

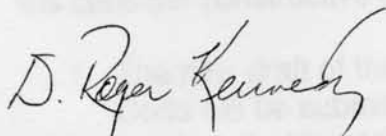
We do, however, have a number of suggestions we hope you will consider constructive to the debate and final decision.

1. The new draft of the International Energy Conservation Code will be submitted at the end of March. This code is used by a wide variety of states and municipalities in developing their local standards. It would be helpful to everyone if IECC and *Energy Star* performance criteria were in agreement. We believe that the proposed IECC standard provide an excellent basis for achieving our mutual objective of energy savings – actually better than either current *Energy Star* proposal.

2. The proposed implementation date of August 28, 2003 will wreak havoc with the marketing and sales programs of every window manufacturer in the U.S. Marketing programs are traditionally created on an annual basis and launched in January at NAHB's International Housing Conference. It would be very difficult and expensive to reprint literature and alter programs to meet this date. There are also significant costs in testing products for conformance. This would be particularly true for manufacturers falling into the new "central" portion of the three-part map.
3. We further believe that all coaters are currently constrained in capacity and the implementation of the three part map would make it virtually impossible for us to meet the demand for double silver, solar reflective products – which is what the three part map requires. AFG has placed an order for a \$30 million coater that will be operational in mid-2004. Our competitors are also expanding their capacity, but it takes a significant capital investment and 18 months to install additional capacity. Our primary concern as a supplier is the ability to meet the requirements of customers in the Southeast regardless of *Energy Star* program changes. AFG is currently sold-out of Comfort Ti products and we are not selling or promoting our products to potential customers, and will not until our 3<sup>rd</sup> coater is operational next year.

We understand and support the need for *Energy Star* to remain dynamic and flexible in achieving it's objective of educating the market on how to reduce energy consumption. We will support your 4-part map option, but sincerely wish *Energy Star* and ICEE would coordinate their efforts since all of our mutual objectives are to save energy.

Sincerely



D. Roger Kennedy  
President and CEO