designated recipient of inquiries from small businesses under SBREFA with respect to subjects not specified above.

Questions regarding the Commission's Rules of Practice and Procedure, 46 CFR Part 502, do not fall within the scope of this program and should be directed to the Office of the Secretary (202–523–5725). Other requests for assistance from persons not covered by SBREFA, as in the past, may be directed, as applicable, to the Office of the General Counsel (202–523–5740), Bureau of Enforcement (202–523–5783), Bureau of Economics and Agreement Analysis (202–523–5787) or the Bureau of Tariffs, Certification and Licensing (202–523–5796; FMCBTCL@fmc.gov).

Reduction or Waiver Of Civil Penalties for Violations by Small Business

As stated above, SBREFA (§ 223) requires that the Commission establish a policy for reduction or waiver of civil penalties for statutory or regulatory violations by small businesses. Within two years, the Commission must report to four Congressional Committees on: (1) The scope of the policy or program; (2) the number of enforcement actions that qualified or failed to quality for the program or policy; and (3) the total amount of penalty reductions and waivers granted. SBREFA and its legislative history suggest certain approaches, i.e., consider ability to pay; consider good faith shown by the small business; require that the violation be discovered through an agency supported compliance assistance program; and allow for violations to be corrected within a reasonable time. Repeat offenses or violations involving willful or criminal conduct are not intended to be included within the policy.

Reduction of Civil Penalties

The Commission already is subject to statutory requirements with regard to civil penalties, including consideration of a respondent's ability to pay, as well as its size and financial condition and the circumstances of the violation. The Commission has followed those requirements in the past and will continue to do so in the future. In addition, appropriate records will be maintained so that the Commission can fulfill its responsibility to file requisite reports to Congress.

Voluntary Compliance and Waiver of Civil Penalties

The Commission has established an internal policy, to be used in appropriate cases, to obtain ''voluntary'' compliance by, and waiver of civil penalties against, small businesses found to be violating Commission statutes or regulations.

Under this program, each subject of an investigation will be evaluated to determine whether, in the circumstances of that particular case, a demand for civil penalties, or compliance and waiver of civil penalties, would be the more effective regulatory tool. In making this determination, the following factors will be considered:

1. Whether the violation was knowing and willful, involved fraud or financial gain or caused injury to the public;
2. The subject's history of prior offenses;
3. Extent to which the subject demonstrates a good faith desire to comply with Commission requirements in the future; and
4. The subject's ability to pay a civil penalty.

Appropriate records will be maintained in order for the Commission to fulfill its responsibility for filing required reports to Congress.

By the Commission.

Ronald D. Murphy,

Assistant Secretary.

[FR Doc. 97–33560 Filed 12–23–97; 8:45 am]

BILLING CODE 6730–01–M

FEDERAL TRADE COMMISSION

[File No. 962–3154]

Honeywell Inc.; Analysis to Aid Public Comment

AGENCY: Federal Trade Commission.

ACTION: Proposed Consent Agreement.

SUMMARY: The consent agreement in this matter settles alleged violations of federal law prohibiting unfair or deceptive acts or practices or unfair methods of competition. The attached Analysis to Aid Public Comment describes both the allegations in the draft complaint that accompanies the consent agreement and the terms of the consent order—embodied in the consent agreement—that would settle these allegations.

DATES: Comments must be received on or before February 23, 1998.

ADDRESSES: Comments should be directed to: FTC/Office of the Secretary, Room 159, 6th St. and Pa. Ave., N.W., Washington, D.C. 20580.

FOR FURTHER INFORMATION CONTACT: Linda K. Badger, Federal Trade Commission, San Francisco Regional Office, 901 Market Street, Suite 570, San Francisco, CA 94103. (415) 356–5270.

Kerry O'Brien, Federal Trade Commission, San Francisco Regional Office, 901 Market Street, Suite 570, San Francisco, CA 94103. (415) 356–5270.

SUPPLEMENTARY INFORMATION: Pursuant to Section 6(f) of the Federal Trade Commission Act, 38 Stat. 721, 15 U.S.C. 46, and Section 2.34 of the Commission's Rules of Practice (16 CFR 2.34), notice is hereby given that the above-captioned consent agreement containing a consent order to cease and desist, having been filed with and accepted, subject to final approval, by the Commission, has been placed on the public record for a period of sixty (60) days. The following Analysis to Aid Public Comment describes the terms of the consent agreement, and the allegations in the accompanying complaint. An electronic copy of the full text of the consent agreement package can be obtained from the Commission Actions section of the FTC Home Page (for December 17, 1997), on the World Wide Web, at ''http://www.ftc.gov/os/actions97.htm.'' A paper copy can be obtained from the FTC Public Reference Room, Room H–130, Sixth Street and Pennsylvania Avenue, N.W., Washington, D.C. 20580, either in person or by calling (202) 326–3627. Public comment is invited. Such comments or views will be considered by the Commission and will be available for inspection and copying at its principal office in accordance with Section 4.9(b)(6)(ii) of the Commission's Rules of Practice (16 CFR 4.9(b)(6)(ii)).

Analysis of Proposed Consent Order to Aid Public Comment

The Federal Trade Commission has accepted an agreement, subject to final approval, to a proposed consent order from respondent Honeywell Inc. (''Honeywell'') a Delaware corporation.

The proposed consent order has been placed on the public record for sixty (60) days for reception of comments by interested persons. Comments received during this period will become part of the public record. After sixty (60) days, the Commission will again review the agreement and the comments received and will decide whether it should withdraw from the agreement and take other appropriate action or make final the agreement's proposed order.

Honeywell manufacturers and markets various types of air cleaning products, including a line of portable, room air cleaners. These ''Honeywell Air Purifiers'' include an ''enviracaire® True HEPA filter.'' The Commission's complaint charges that respondent's advertising for the Honeywell Air Purifier included unsubstantiated claims of efficacy and allergy relief. Specifically, the complaint alleges that the respondent did not possess adequate

substantiation for claims that: (1) The filter in a Honeywell Air Purifier removes 99.97% of mold spores, dust mite allergens, bacteria and viruses from the air that people breathe under household living conditions; (2) The filter in a Honeywell Air Purifier removes nearly all or 99.97% of impurities from the air that people breathe under household living conditions; (3) Consumers who use a Honeywell Air Purifier that changes the air in a room six or more times per hour will experience noticeable symptom relief from allergies and other respiratory problems; and (4) Honeywell Air Purifiers provide proven relief from allergy symptoms.

According to the proposed complaint, the 99.97% figure used in Honeywell's advertisement refers to the filter's expected efficiency in removing particles that actually pass through the filter. While the filter's efficiency is a factor in assessing the effectiveness of an air purifier in particulate removal, this figure overstates the actual effectiveness of the air purifier in removing pollutants from the air in a user's environment. The actual effectiveness of an air purifier, according to the proposed complaint, depends on a variety of factors including, the amount of air that the air purifier processes, the nature of the pollutant, and the rate at which the pollutant is being introduced into the environment.

Additionally, with respect to the allergy relief claims made by Honeywell, the proposed complaint states that there is no guarantee that an individual who suffers from allergies or other respiratory problems will derive a discernible reduction in symptoms through the use of these or other air purifiers. Whether individuals will derive such relief depends on many variables including, the source and severity of their allergies, whether the allergens at issue tend to remain airborne, the rate at which the allergens are emitted into their homes or offices, and other environmental factors.

The proposed consent order contains provisions designed to remedy the violations charged and to prevent the respondent from engaging in similar acts and practices in the future.

Part I of the proposed order would prohibit Honeywell from making certain efficacy claims about Honeywell Air Purifiers, enviracaire® True HEPA filters, or any other air cleaning product which is normally used for personal, family, or household purposes, unless at the time of making the claims it possesses and relies upon competent and reliable scientific evidence. Furthermore, claims that state or imply a level of performance under any set of conditions, such as household loving conditions, must be substantiated by evidence that either relates to such conditions or that was extrapolated to such conditions by generally accepted procedures. The specific claims covered by Part I include any representation: (1) about such products's ability to eliminate, remove, clear, or clean any quantity of indoor air contaminants under household living conditions; and (2) that such product will perform under any set of conditions, including household living conditions.

Part II of the proposed consent order includes fencing-in relief, requiring that Honeywell possess competent and reliable evidence, which when appropriate must be competent and reliable scientific evidence, for any claim about the performance, health or other benefits, or efficacy of any air cleaning product which is normally used for personal, family, or household purposes.

The proposed order also requires that respondent to maintain materials relied upon to substantiate claims covered by the order; to provide a copy of the consent agreement to all employees or representatives involved in the preparation and placement of the company's advertisements, as well as to all company executives and marketing and sales managers; to notify the Commission of any changes in corporate structure that might affect compliance with the order; and to file one or more reports detailing compliance with the order.

The purpose of this analysis is to facilitate public comment on the proposed order. It is not intended to constitute an official interpretation of the agreement and proposed order or to modify in any way their terms.

Donald S. Clark,

Secretary.

[FR Doc. 97–33575 Filed 12–23–97; 8:45 am]

BILLING CODE 6750–01–M

GENERAL ACCOUNTING OFFICE

[GAO/AIMD–98–21.3.1]

Standards for Internal Control in the Federal Government

AGENCY: General Accounting Office.

ACTION: Notice of document availability.

SUMMARY: The General Accounting Office (GAO) is seeking public comment on the proposed ''Standards for Internal Controls in the Federal Government dated December 1997.'' The proposed standards are being issued to update the 1983 ''Standards for Internal Controls in the Federal Government.'' The proposed standards incorporate the existing standards and the components of internal control covered in *Internal Control—Integrated Framework,* Committee of Sponsoring Organizations of the Treadway Commission (COSO), September 1992. The proposed standards are intended to assist program and financial managers achieve the internal control objectives of their organizations. This notice indicates that the proposed standards are available from GAO for review and comment.

DATES: Comments must be received by March 11, 1998.

ADDRESSES: Copies of the internal control standards draft are available by (1) pick-up at Document Distribution, U.S. General Accounting Office, Room 1100, 700 4th Street, NW. (corner of 4th and G Streets, NW.), Washington, DC; (2) mail from U.S. General Accounting Office, P.O. Box 37050, Washington, DC 20013; (3) phone at 202–512–6000 or FAX 202–512–6061 or TDD 202–512–2537; or (4) on GAO's home page (http://www.gao.gov) on the Internet. Comments should be addressed to the Robert W. Gramling, Director, Corporate Audits and Standards, Accounting and Information Management Division, U.S. General Accounting Office, 441 G Street NW., Room 5089, Washington, DC 20548.

FOR FURTHER INFORMATION CONTACT: Robert W. Gramling, 202–512–9406.

SUPPLEMENTARY INFORMATION: Beginning with the Accounting and Auditing Act of 1950, agency heads have been required to establish and maintain effective internal control. Since then, other laws have required renewed focus on internal control. The Federal Managers' Financial Integrity Act (FMFIA) of 1982, for example, requires agency heads periodically to evaluate their systems of internal control, using the guidance issued by the Office of Management and Budget, and to prepare a report on whether their systems conform to the standards issued by the GAO. Most recently, the Federal Financial Management Improvement Act (FFMIA) of 1996, in focusing on financial management systems, identified internal control as an integral part of those systems. The OMB Circular A–123, ''Management Accountability and Control,'' June 21, 1995, provides the requirements for assessing controls. Over the years, GAO has issued numerous publications to assist agencies in establishing and maintaining effective internal control systems. In 1983, GAO drew on its