

FEDERAL TRADE COMMISSION (FTC)**Statement of Regulatory Priorities****Regulatory Priorities**

The Federal Trade Commission is an independent agency charged with protecting consumers and businesses from unfair, deceptive, and anticompetitive practices.

Although the agency pursues its mandate primarily through case-by-case enforcement of the Federal Trade Commission Act and other statutes, regulation is an important complement to this law enforcement effort, particularly with respect to consumer protection matters. Commission regulations generally are intended to ensure that consumers receive the information necessary to evaluate competing products and make informed purchasing decisions.

The Commission's regulatory efforts for 1995 encompassed a consideration of new regulations, modification of existing regulations, and elimination of unneeded regulations. With respect to new regulations, the Commission implemented a new rule pursuant to the Telemarketing and Consumer Fraud and Abuse Prevention Act. The Act directed the Commission to issue a rule prohibiting deceptive and abusive telemarketing acts and practices within 365 days from the date of enactment of the Act. On August 16, 1995, the Commission issued a final rule that prohibits telemarketers from misrepresenting the cost, quantity, and other aspects of offered goods or services and allows the FTC to target deceptive and abusive practices. This proceeding generated considerable interest because of the large number of companies that conduct business by means of telemarketing and because of the Rule's potential effect on their methods of doing business. The Rule becomes effective on December 31, 1995.

In the Energy Policy Act of 1992 (EPA 92), Congress directed the Commission to establish uniform labeling requirements, if practicable, for alternative fuels (i.e., automotive fuels other than gasoline and diesel, such as compressed natural gas and electricity) and for vehicles that use alternative fuels. The Commission issued a final rule on May 19, 1995 (60 FR 26926) that requires disclosure of "appropriate" cost and benefit information for nonliquid alternative fuels and alternative-fueled vehicles to enable consumers to make reasonable purchasing choices and comparisons.

The labeling requirements for nonliquid alternative fuels became effective on August 21, 1995, and the labeling requirements for alternative-fueled vehicles become effective on November 20, 1995.

With respect to rule modifications, the Commission sought comment regarding possible amendments to its Care Labeling Rule (59 FR 30733 June 15, 1994). The rule requires manufacturers and importers of textile wearing apparel to attach care labels to garments (for example, "dry clean only"). The rule currently requires the instructions to be in words, but allows symbols to be used in addition to words. The FTC sought comment on the desirability of using symbols in lieu of words. Symbols could make care instructions more understandable to non-English-speaking consumers, and thus not only better serve a significant minority of American consumers, but also foster trade with Mexico and Canada, consistent with the goals of the North American Free Trade Agreement. The comment period expired on October 15, 1994, and staff's recommendation to the Commission is expected in the fall of 1995.

The FTC is also committed to eliminating unnecessary rules and regulations. To this end, the Commission is seeking information regarding the costs and benefits of various trade regulation rules and voluntary industry guides. (See 60 FR 6463, February 2, 1995). This assessment is part of the Commission's ongoing program to review all of its rules and guides at least once every 10 years to determine their effectiveness, impact, and cost, and to assess whether they should be retained, modified, or repealed. As part of this ongoing program, the Commission has issued advance notices of proposed rulemaking (ANPRMs) proposing to rescind: the Sleeping Bag Rule, Part 400; the Binocular Rule, Part 402; the Tablecloth Rule, Part 404; the Glass Fiber Curtain Rule, Part 413; the Frosted Cocktail Glass Rule, Part 417; and the Extension Ladder Rule, Part 418. See 60 FR 27240-27245 (May 21, 1995). In connection with these rules, the Commission approved notices of proposed rulemaking (NPRMs) and gave advance notice of the NPRMs to Congress as required by Section 18 of the Federal Trade Commission Act. The Commission also approved an ANPRM to commence a proceeding to rescind the Leather Belt Rule, Part 405, and forwarded it to Congress as well.

In the past year, the FTC also repealed six voluntary industry guides. See 60 FR 37334 (July 20, 1995), announcing repeal of the Mill Guides; 60 FR 40262-40265 (August 8, 1995), announcing repeal of the Mail Order Insurance, Debt Collection Deception, and Free Film Guides; 60 FR 40267 (August 8, 1995), announcing repeal of the Beauty/Barber Equipment Guides; and 60 FR 40453 (August 9, 1995), announcing repeal of the Wig Guides. The Commission voted to repeal the Shoe, Ladies' Handbag, and Luggage Guides, and to propose a consolidated guide to cover these items as well as leather belts. The Commission also revised one interpretation and repealed various other interpretations published in 16 CFR Part 14. See 60 FR 40231 (August 15, 1995).

With regard to both content and process, the FTC's ongoing and proposed regulatory actions are compatible with the President's priorities. Substantively, the actions under consideration inform and protect consumers and reduce the regulatory burdens on business. In addition, the Commission's effort under EPA 92 serves to promote environmental protection and conservation of energy resources. The Commission's 10-year program for reviewing its existing regulations and guides is also consistent with President Clinton's National Regulatory Reinvention Initiative, which, among other things, urges agencies to eliminate obsolete or unnecessary regulations. The Commission's review program corresponds as well to section 5(a) of Executive Order 12866 (58 FR 51735, September 30, 1993), which directs Executive branch agencies to develop a plan to reevaluate periodically all of their significant, existing regulations.

Procedurally, the Commission also continues to focus substantial attention on aspects of the regulatory process that Executive Order 12866 seeks to promote: identifying and weighing the costs and benefits of proposed actions and possible alternative actions, and receiving the broadest practicable array of comments from affected consumers, businesses, and the public at large. In sum, therefore, the Federal Trade Commission's regulatory actions are aimed at efficiently and fairly promoting the ability of "private markets to protect or improve the health and safety of the public, the environment, or the well-being of the American people." (Executive Order 12866, sec. I.)

Regulatory Actions

The Commission has no actions that constitute "significant regulatory actions" under the definition in Executive Order 12866. Two of the three

actions in Part II of the 1994 Regulatory Plan have concluded and are referenced in the Commission's October 1995 entry in the Unified Agenda of Federal Regulations. The third action, expected

to conclude in 1995, is also referenced in the October Agenda.

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