



Wednesday
October 29, 1997

Part LVI

**Federal Trade
Commission**

Semiannual Regulatory Agenda

FEDERAL TRADE COMMISSION (FTC)

FEDERAL TRADE COMMISSION

16 CFR Ch. I

Semiannual Regulatory Agenda

AGENCY: Federal Trade Commission.

ACTION: Semiannual regulatory agenda.

SUMMARY: The following agenda of Commission proceedings is published in accordance with section 22(d)(1) of the Federal Trade Commission Act, 15 U.S.C. 57b-3(d)(1), and the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.*, as amended by the Small Business Regulatory Enforcement Fairness Act of 1996, title II of Public Law 104-121, 110 Stat. 847. Except for notice of completed actions, the information in this agenda represents the judgment of Commission

staff based upon information now available, and each projected date of action reflects an assessment by the FTC staff of the likelihood that the specified event will occur during the coming year. No final determination by the staff or the Commission respecting the need for or the substance of a trade regulation rule or any other procedural option should be inferred from the notation of projected events in this agenda.

In most instances, the dates of future events are listed by month, not by a specific day. Acquisition of new information, change of circumstances, or changes in the law may alter the information set forth in this agenda. Several agenda items concern rulemaking proceedings that may affect a substantial number of small businesses as that term is used in the

Regulatory Flexibility Act. Whether the likely economic impact on such entities is significant will depend upon the outcome of the particular proceeding.

FOR FURTHER INFORMATION CONTACT: Further details may be obtained from the agency contact person listed for each particular proceeding.

SUPPLEMENTARY INFORMATION: This edition of the Unified Agenda of Federal Regulatory and Deregulatory Actions includes The Regulatory Plan, which appears in Part II of this issue of the **Federal Register**. The Federal Trade Commission's Statement of Regulatory Priorities is included in Part II.

By direction of the Commission.

Donald S. Clark,
Secretary.

Prerule Stage

Sequence Number	Title	Regulation Identifier Number
4375	Rules and Regulations Under the Fur Products Labeling Act	3084-AA51
4376	Trade Regulation Rule on Franchising and Business Opportunity Ventures	3084-AA63
4377	Rule Governing Informal Dispute Settlement Procedures	3084-AA75
4378	Trade Regulation Rule on Ophthalmic Practice Rules	3084-AA80

Proposed Rule Stage

Sequence Number	Title	Regulation Identifier Number
4379	Premerger Notification Rules and Report Form	3084-AA23
4380	Regulations Under the Comprehensive Smokeless Tobacco Health Education Act of 1986	3084-AA48
4381	Rules and Regulations Under the Wool Products Labeling Act of 1939	3084-AA50
4382	Rules and Regulations Under the Textile Fiber Products Identification Act	3084-AA52
4383	The Care Labeling Rule	3084-AA54
4384	Trade Regulation Rule Concerning the Labeling and Advertising of Home Insulation	3084-AA60
4385	Rule Governing Disclosure of Written Consumer Product Warranty Terms and Conditions	3084-AA72
4386	Rule Governing the Pre-Sale Availability of Written Warranty Terms	3084-AA73
4387	Deceptive Use of "Leakproof," "Guaranteed Leakproof," Etc., as Descriptive of Dry Cell Batteries	3084-AA77
4388	Trade Regulation Rule Pursuant to the Telephone Disclosure and Dispute Resolution Act of 1992	3084-AA78
4389	Rules and Regulations Under the Hobby Protection Act (Section 610 Review)	3084-AA79
4390	Trade Regulation Rule Concerning Power Output Claims for Amplifiers Utilized in Home Entertainment Products ...	3084-AA81

Final Rule Stage

Sequence Number	Title	Regulation Identifier Number
4391	Trade Regulation Rule Concerning the Use of Negative Option Plans by Sellers in Commerce	3084-AA76

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Long-Term Actions

Sequence Number	Title	Regulation Identifier Number
4392	Amended Federal Deposit Insurance Corporation Improvement Act	3084-AA44
4393	Regulatory Review	3084-AA47

FEDERAL TRADE COMMISSION (FTC)

Prerule Stage

4375. RULES AND REGULATIONS UNDER THE FUR PRODUCTS LABELING ACT

Priority: Substantive, Nonsignificant

Reinventing Government: This rulemaking is part of the Reinventing Government effort. It will revise text in the CFR to reduce burden or duplication, or streamline requirements.

Legal Authority: 15 USC 69 Fur Products Labeling Act

CFR Citation: 16 CFR 301

Legal Deadline: None

Abstract: The Fur Products Labeling Act (Fur Act) requires covered furs and fur products to be labeled, invoiced, and advertised to show (1) the name(s) of the animal that produced the fur(s); (2) where such is the case, that the fur is used fur or contains used fur; (3) where such is the case, that the fur is bleached, dyed, or otherwise artificially colored; and (4) the name of the country of origin of any imported furs used in the fur product. Pursuant to section 8(b) of the Fur Act, "The Commission is authorized and directed to prescribe rules and regulations governing the manner and form of disclosing information required by this Act and such further rules and regulations as may be necessary and proper for purposes of administration and enforcement of this Act." These implementing rules are set forth at 16 CFR 301. As part of its systematic review of all current Commission regulations and guides, the Commission requested comments on, among other things, the economic impact of, and the continuing need for, these rules, possible conflict between the rules and state, local and other federal laws, and the effect on the rules of any technological, economic, or other industry changes. The Commission also sought comments on issues relating to

the goal of harmonizing labeling requirements among North American Free Trade Agreement (NAFTA) countries.

Timetable:

Action	Date	FR Cite
Begin Reg Review	05/06/94	59 FR 23645
Extension of Comment Period	09/12/94	59 FR 46778
Comment Period End	10/15/94	
NPRM	12/24/96	61 FR 67748
Comment Period End	01/22/97	
Recommendations to Commission	10/00/97	

Small Entities Affected: Undetermined

Government Levels Affected: None

Agency Contact: Carol J. Jennings, Staff Attorney, Federal Trade Commission, Division of Enforcement, Washington, DC 20580
Phone: 202 326-3010

RIN: 3084-AA51

4376. TRADE REGULATION RULE ON FRANCHISING AND BUSINESS OPPORTUNITY VENTURES

Priority: Substantive, Nonsignificant

Legal Authority: 15 USC 41 to 58

CFR Citation: 16 CFR 436

Legal Deadline: None

Abstract: The Federal Trade Commission's Trade Regulation Rule on Franchising and Business Opportunity Ventures (Franchise Rule) became effective on October 21, 1979. The Rule is designed to reduce deceptive and unfair practices in the sale of franchises and business opportunities by requiring the pre-sale disclosure of material information about the franchise. For example, the Rule requires franchisors to disclose their business background and litigation history, as well as the number of failed and terminated franchise units. The Rule also requires the disclosure of material terms of the

franchise relationship, such as recurring fees and termination and renewal rights. The Rule further requires the franchisor to provide an audited financial statement for the past three fiscal years. Finally, the Rule requires any franchisor who makes earnings representations to provide the prospective franchisee with an earnings claims document that substantiates those claims. As part of its systematic review of all current Commission rules and guides, the Commission requested comments about the overall costs and benefits of the Rule and what effects, if any, have changes in relevant technology, economic conditions, and industry practices had on the Rule. Two public workshops have been held, one on September 12, 1995, and the other on March 11, 1996. On February 28, 1997, the Commission published an Advance Notice of Proposed Rulemaking (ANPR) contemplating amendments to the Rule. The Commission is interested in ensuring that the Rule addresses new technologies and market practices and at the same time reduces any unnecessary regulatory burden. Specifically, the Commission has requested comments on whether to revise the Rule to more closely align federal and state disclosure requirements governing franchise sales, and to address changes in the marketing of franchises, such as the sale of franchises internationally and through the Internet. In the same ANPR, the Commission announced that it would hold six public workshops in five cities during 1997 to: promote discussions about the issues; allow the public to make statements on the record; and assist Commission staff in drafting a proposed amended Rule. The Commission has extended the comment period to December 31, 1997.

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Timetable:

Action	Date	FR Cite
Request for Comments	04/17/95	60 FR 17656
Comment Period End	08/11/95	
Public Workshop	09/12/95	60 FR 34485
Public Workshop	03/11/96	61 FR 5969
ANPRM	02/28/97	62 FR 9115
Comment Period End	12/31/97	

Small Entities Affected: Businesses

Government Levels Affected: State

Agency Contact: Steven Toporoff, Division of Marketing Practices, Bureau of Consumer Protection, Federal Trade Commission, Washington, DC 20580
Phone: 202 326-3135

RIN: 3084-AA63

4377. RULE GOVERNING INFORMAL DISPUTE SETTLEMENT PROCEDURES

Priority: Substantive, Nonsignificant

Legal Authority: 15 USC 41 et seq

CFR Citation: 16 CFR 703

Legal Deadline: None

Abstract: The Rule Governing Informal Dispute Settlement Procedures (Rule 703) establishes minimum requirements for those informal settlement mechanisms ("IDSM") that are incorporated by the warrantor into its consumer product warranty. By incorporating the IDSM into the warranty, the warrantor requires the consumer to use the IDSM before pursuing any legal remedies in court. Among other things, the Rule sets out the member qualifications, general operating procedures, and recordkeeping requirements of such IDSMs. The Rule also prescribes the duties of the warrantor in making consumers aware of the IDSM and how to use it, as well as the warrantor's duties to comply with the IDSM's requests and decisions. The Rule also requires IDSMs that operate under Rule 703 to submit annual audits to the Federal Trade Commission to determine their compliance with the Rule. As part of its systematic review

of all current Commission regulations and guides, the Commission has requested comments on, among other things, the economic impact of, and the continuing need for, the Rule; whether there are changes that might be made to the Rule that would increase consumer benefits or which might minimize cost to firms subject to its requirements; the degree to which it may conflict with other State, local, and other Federal laws; and the effect on the rules of any technological, economic, or other industry changes.

Timetable:

Action	Date	FR Cite
Begin Review	01/01/97	
Request for Comments	04/02/97	62 FR 15636
Comment Period End	06/02/97	
Recommendation to Commission	12/00/97	
Final Commission Action	03/00/98	

Small Entities Affected: Businesses

Government Levels Affected: None

Agency Contact: Carole I. Danielson, Division of Marketing Practices, Bureau of Consumer Protection, Federal Trade Commission, Washington, DC 20580
Phone: 202 326-3115

RIN: 3084-AA75

4378. TRADE REGULATION RULE ON OPHTHALMIC PRACTICE RULES

Priority: Substantive, Nonsignificant

Legal Authority: 15 USC 41 et seq

CFR Citation: 16 CFR 456

Legal Deadline: None

Abstract: The Trade Regulation Rule on Ophthalmic Practice Rules, also known as the "Prescription Release Rule," provides that an optometrist or ophthalmologist must give to the patient a copy of the patient's eyeglass prescription immediately after the eye examination is completed at no extra cost. The Prescription Release Rule prohibits optometrists and ophthalmologists from conditioning the availability of an eye examination, as

defined by the Rule, on a requirement that the patient agrees to purchase ophthalmic goods from the optometrist or ophthalmologist, and from placing on the prescription, or delivering to the patient, certain disclaimers or waivers of liability. An optometrist or ophthalmologist, however, may withhold the eyeglass prescription if the patient has not paid for the eye examination in full if the optometrist or ophthalmologist would have required immediate payment if the examination revealed that no ophthalmic goods, such as eyeglasses, were required. In addition, the Rule does not require an optometrist or ophthalmologist to release a contact lens prescription to a patient after an eye exam. As part of its systematic review of all current Commission rules and guides, the Commission requested comments on the economic impact of, and the continuing need for, this Rule, possible conflict between the Rule and state, local, or other federal laws, and the effect on the Rule of any technological, economic, or other industry changes. In response to a request from the National Association of Optometrists and Opticians, the Commission has extended the comment period to September 2, 1997.

Timetable:

Action	Date	FR Cite
Request for Comments	04/03/97	62 FR 15865
Notice of Comment Period Extension	05/29/97	62 FR 29088
Comment Period End	06/02/97	
Comment Period End	09/02/97	
Staff Consideration of Comments	10/00/97	

Small Entities Affected: Businesses

Government Levels Affected: None

Agency Contact: Renee Kinscheck, Division of Service Industry Practices, Bureau of Consumer Protection, Federal Trade Commission, Washington, DC 20580
Phone: 202 326-3283

RIN: 3084-AA80

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4379. PREMERGER NOTIFICATION RULES AND REPORT FORM

Priority: Substantive, Nonsignificant

Legal Authority: 15 USC 18a Clayton Act

CFR Citation: 16 CFR 801 to 803

Legal Deadline: None

Abstract: The Premerger Notification Rules and the Antitrust Improvements Act Notification and Report Form were adopted pursuant to Section 7A of the Clayton Act. Section 7A requires firms of a certain size contemplating mergers or acquisitions of a specified size to file notification with the Federal Trade Commission (FTC) and the Department of Justice (DOJ) and to wait a designated period before consummating the transaction. It also requires the FTC, with the concurrence of the Assistant Attorney General for Antitrust, to promulgate rules requiring that notification be in a form and contain information necessary to enable the FTC and DOJ to determine whether the proposed acquisition may, if consummated, violate the antitrust laws. These rules are continually reviewed in order to improve the program's effectiveness and reduce the paperwork burden on the business community. The Commission proposed modifications to the Premerger Notification and Report form during fiscal year 1994. In March 1996, the Commission promulgated rules amending the Rule's treatment of acquisitions of goods or realty made in the ordinary course of business and adding new exemptions for acquisitions of realty and carbon-based mineral reserves. In addition, on August 9, 1995, the Commission published a final rule that removed 16 CFR part 800, the transitional rule addressing the treatment of acquisitions consummated before, and notification filed on or before September 5, 1978.

Timetable:

Action	Date	FR Cite
Begin Review	09/30/81	
NPRM - Ordinary Course	09/24/85	50 FR 38742
NPRM - HSR Form Changes	06/14/94	59 FR 30545
NPRM - Ordinary Course	07/28/95	60 FR 38930
Part 800 Repealed	08/09/95	60 FR 40704
Final Rule - Ordinary Course	03/28/96	61 FR 13666
Final Rule Effective - Ordinary Course	04/29/96	

Action	Date	FR Cite
NPRM - HSR - Form Changes	11/00/97	
Small Entities Affected: None		
Government Levels Affected: None		
Agency Contact: Richard B. Smith, Staff Attorney, Pre-Merger Notification Office, Federal Trade Commission, Bureau of Competition, Washington, DC 20580 Phone: 202 326-2850 RIN: 3084-AA23		

4380. REGULATIONS UNDER THE COMPREHENSIVE SMOKELESS TOBACCO HEALTH EDUCATION ACT OF 1986

Priority: Substantive, Nonsignificant

Legal Authority: 15 USC 4401

CFR Citation: 16 CFR 307

Legal Deadline: None

Abstract: The Comprehensive Smokeless Tobacco Health Education Act of 1986 requires health warnings on all packages and advertising for smokeless tobacco. The Commission published an NPR on February 14, 1995 seeking public comment on whether the regulations governing the rotation schedule for utilitarian objects should be amended. The comment period expired on April 14, 1995. The Commission amended the smokeless tobacco regulations to permit rotation of the mandated health warnings on utilitarian items and promotional materials based on either the date the item or material is ordered from a supplier or the date it is disseminated to the public, provided the production of such items is carried out in a manner consistent with ordinary business practices. On a separate point, the Coalition on Smoking or Health petitioned the Commission to enforce the Smokeless Tobacco Act by requiring smokeless tobacco health warnings on sponsored racing cars, banners, flags, and other related objects bearing smokeless tobacco product brand names, logos, or selling messages. On October 26, 1993, the Commission issued an NPR and proposed a requirement that sponsored auto racing vehicles and all other event-related objects that bear the brand name or selling message of smokeless tobacco products display health warning labels. Staff is preparing its recommendations to the Commission.

Timetable:		
Action	Date	FR Cite
NPRM (Promotional Items)	01/15/93	54 FR 4875
NPRM (Racing Cars) Comment Period End (Racing Cars)	11/04/93	58 FR 58810
NPRM (Utilitarian Items) Comment Period End (Utilitarian Items)	02/01/94	
NPRM (Utilitarian Items)	02/14/95	60 FR 8312
Comment Period End (Utilitarian Items)	04/14/95	
Final Staff Recommendation (Promotional Items)	05/17/96	
Final Staff Recommendations (Utilitarian Items)	05/17/96	
Final Action (Promotional Items)	08/30/96	61 FR 45883
Final Action (Utilitarian Items)	08/30/96	61 FR 45883
Final Staff Recommendation (Racing Cars)	12/00/97	
Commission Action (Racing Cars)	03/00/98	
Small Entities Affected: Undetermined		
Government Levels Affected: None		
Agency Contact: Phillip Priesman, Division of Advertising Practices, Bureau of Consumer Protection, Federal Trade Commission, Washington, DC 20580 Phone: 202 326-2484 RIN: 3084-AA48		

4381. RULES AND REGULATIONS UNDER THE WOOL PRODUCTS LABELING ACT OF 1939

Priority: Substantive, Nonsignificant

Reinventing Government: This rulemaking is part of the Reinventing Government effort. It will revise text in the CFR to reduce burden or duplication, or streamline requirements.

Legal Authority: 15 USC 68 Wool Products Labeling Act of 1939

CFR Citation: 16 CFR 300

Legal Deadline: None

Abstract: The Wool Products Labeling Act of 1939 (Wool Act) requires covered wool products to be marked with (1) the generic names and percentages by weight of the constituent fibers present in the wool product; (2) the name under which the manufacturer or another responsible USA company does business, or in lieu thereof, the registered identification number (RN) of such a company; and

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(3) the name of the country where the wool product was processed or manufactured. Pursuant to section 6(a) of the Wool Act, "the Commission is authorized and directed to make rules and regulations for the manner and form of disclosing information required by this Act ... and to make such further rules and regulations under and in pursuance of the terms of this Act as may be necessary and proper for administration and enforcement." These implementing rules and regulations are set forth at 16 CFR 300. As part of its systematic review of all current Commission regulations and guides, the Commission requested comments on, among other things, the economic impact of and the continuing need for these rules, possible conflict between the rules and State, local and other federal laws, and the effect on the rules of any technological, economic, or other industry changes. Comments were also solicited on issues relating to the goal of harmonizing labeling requirements among North American Free Trade Agreement (NAFTA) countries.

Timetable:

Action	Date	FR Cite
Begin Reg Review	05/06/94	59 FR 23645
Extension of Comment Period	09/12/94	59 FR 46778
Comment Period End	10/15/94	
NPRM	12/24/96	61 FR 67739
Comment Period End	01/22/97	
Recommendation to Commission	10/00/97	

Small Entities Affected: Undetermined

Government Levels Affected: Undetermined

Agency Contact: Carol J. Jennings, Staff Attorney, Federal Trade Commission, Division of Enforcement, Washington, DC 20850
Phone: 202 326-3010

RIN: 3084-AA50

4382. RULES AND REGULATIONS UNDER THE TEXTILE FIBER PRODUCTS IDENTIFICATION ACT

Priority: Substantive, Nonsignificant

Reinventing Government: This rulemaking is part of the Reinventing Government effort. It will revise text in the CFR to reduce burden or duplication, or streamline requirements.

Legal Authority: 15 USC 70 Textile Fiber Products Identification Act

CFR Citation: 16 CFR 303

Legal Deadline: None

Abstract: The Textile Fiber Products Identification Act (Textile Act) requires wearing apparel and other covered household textile articles to be marked with (1) the generic names and percentages by weight of the constituent fibers present in the textile fiber product; (2) the name under which the manufacturer or another responsible USA company does business, or in lieu thereof, the registered identification number (RN) of such a company; and (3) the name of the country where the textile product was processed or manufactured. Pursuant to section 7(c) of the Textile Act, "the Commission is authorized and directed to make such rules and regulations, including the establishment of generic names of manufactured fibers, under and in pursuance of the terms of this Act as may be necessary and proper for administration and enforcement." These implementing rules are set forth at 16 CFR 303. As part of its systematic review of all current Commission regulations and guides, the Commission requested comments on, among other things, the economic impact of, and the continuing need for, these rules, possible conflict between the rules and State, local and other Federal laws, and the effect on the rules of any technological, economic, or other industry changes. The Commission also sought comments on issues aimed at streamlining existing regulations and promoting harmonization of textile labeling requirements among the North American Free Trade Agreement (NAFTA) countries.

Timetable:

Action	Date	FR Cite
Begin Reg Review	05/06/94	59 FR 23646
Extension of Comment Period	09/12/94	59 FR 46779
Comment Period End	10/15/94	
Recommendations to Commission	12/15/95	
NPRM	02/12/96	61 FR 5340
NPRM Comment Period End	05/13/96	
Recommendation to Commission	10/00/97	

Small Entities Affected: Undetermined

Government Levels Affected: None

Agency Contact: Carol J. Jennings, Staff Attorney, Federal Trade

Commission, Division of Enforcement, Washington, DC 20580
Phone: 202 326-3010

RIN: 3084-AA52

4383. THE CARE LABELING RULE

Priority: Other Significant

Reinventing Government: This rulemaking is part of the Reinventing Government effort. It will revise text in the CFR to reduce burden or duplication, or streamline requirements.

Legal Authority: 15 USC 41 et seq

CFR Citation: 16 CFR 423

Legal Deadline: None

Abstract: The Care Labeling Rule requires manufacturers and importers of textile wearing apparel to attach cleaning instructions stating what regular care is needed for the ordinary use of the product. If dry cleaning is recommended, the label must state at least one type of solvent that may be used (unless all commercially available types of solvent can be used), and must contain a warning against the use of any part of the normal dry cleaning procedure that would harm the product. The Rule also requires that the manufacturer or importer possess, prior to sale, a reasonable basis for the care instructions. The Rule currently requires that care instructions be stated in "appropriate terms." It also states that "any appropriate symbols may be used on care labels or care instructions, in addition to the required appropriate terms so long as the terms fulfill the requirements of this regulation." Although the Rule does not specifically state that the instructions must be in English, they usually are. On February 6, 1997, the Commission granted a Conditional Exemption with request for public comments. The Conditional Exemption, which became effective on July 1, 1997, allows the use of the symbol system developed by the American Society for Testing and Materials on care labels. The symbols, which show consumers how to safely launder or clean their clothing, will be permitted on care labels so long as the manufacturers include with the garments a written explanation of what the symbols mean for the first 18 months they are in use. In granting the industry permission to use symbols on care labels instead of written words, the FTC pledged to coordinate a national

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campaign to help consumers in the transition to symbols by making sure they have easy access to additional descriptive information regarding how to care for their clothing.

Timetable:

Action	Date	FR Cite
Begin Reg Review	06/15/94	59 FR 30733
Comment Period End	10/15/94	
Recommendation to Commission	10/17/95	
Request for Comment/Exemption	11/16/95	60 FR 57552
ANPRM	12/28/95	60 FR 67102
Comment Period End/Exemption	01/31/96	
ANPRM Comment Period End	03/13/96	
Recommendation to Commission/Exemption	11/15/96	
Interim Conditional Exemption	02/06/97	62 FR 5724
Comment Period End	03/10/97	
Final Conditional Exemption	05/29/97	62 FR 29006
Recommendation to Commission/NPRM	10/00/97	
NPRM	11/00/97	

Small Entities Affected: Undetermined

Government Levels Affected: None

Agency Contact: Constance Vecellio, Care Labeling Rule Coordinator, Division of Enforcement, Federal Trade Commission, Washington, DC 20580
Phone: 202 326-2966

RIN: 3084-AA54

4384. TRADE REGULATION RULE CONCERNING THE LABELING AND ADVERTISING OF HOME INSULATION

Priority: Substantive, Nonsignificant

Legal Authority: 15 USC 41 et seq

CFR Citation: 16 CFR 460

Legal Deadline: None

Abstract: The Federal Trade Commission's Trade Regulation Rule Concerning the Labeling and Advertising of Home Insulation ("R-Value Rule") became effective on September 29, 1980. The Rule is designed to assist consumers in evaluating and comparing the thermal performance characteristics of competing home insulation products. Specifically, the Rule requires manufacturers of home insulation products to provide information about the product's degree of resistance to the flow of heat (R-Value). The Rule also

establishes uniform standards for testing, information disclosure and substantiation of product performance claims. As part of its systematic review of all current Commission rules and guides, the Commission requested comments on, among other things, the economic impact of, and the continuing need for, this Rule, possible conflicts between the Rule and state, local and other federal laws, and the effect on the Rule of any technological, economic, or other industry changes. At the same time, in response to a petition, the Commission proposed adopting a non-substantive amendment to the Rule that would allow, but not require, the use of an additional (fifth) test procedure for measuring R-value, and solicited comments on the proposed amendment. The Commission is considering the comments in two parts. In part I, on March 28, 1996, the Commission reviewed the comments that addressed the current benefits, burdens and need for the Rule and determined to retain the Rule. The Commission also adopted non-substantive amendments that: (1) allow the optional use of the additional R-value test procedure; and (2) require use in the future of revised, current versions of other test procedures cited in the Rule. In part II, the Commission will consider the comments recommending that the Commission adopt substantive revisions to the Rule.

Timetable:

Action	Date	FR Cite
Request for Comments	04/06/95	60 FR 17492
Comment Period End	06/06/95	
Commission Action/Part I	03/28/96	61 FR 13659
Recommendation to Commission/Part II	10/00/97	
Commission Action/Part II	12/00/97	

Small Entities Affected: Businesses

Government Levels Affected: None

Agency Contact: Kent C. Howerton, Division of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, Washington, DC 20580
Phone: 202 326-3013

RIN: 3084-AA60

4385. RULE GOVERNING DISCLOSURE OF WRITTEN CONSUMER PRODUCT WARRANTY TERMS AND CONDITIONS

Priority: Substantive, Nonsignificant

Legal Authority: 15 USC 41 et seq

CFR Citation: 16 CFR 701

Legal Deadline: None

Abstract: The Rule Governing the Disclosure of Written Consumer Product Warranty Terms and Conditions (Rule 701) establishes requirements for warrantors for disclosing the terms and conditions of written warranties on consumer products actually costing the consumer more than \$15.00. Rule 701 specifies the information that must appear in the written warranty, as well as the exact language that must be used for certain items. Under Rule 701, the information must be disclosed in simple, easily understood, and concise language in a single document. In addition to specifying the information that must appear in a written warranty, Rule 701 also requires that, in instances where the warrantor uses a warranty registration or owner registration card, the warranty must disclose whether that registration card is a condition precedent to warranty coverage. Finally, it provides that, in connection with "seal of approval" programs, the disclosures do not have to be given in the actual seal itself, if they are made in a general circulation publication. As part of its systematic review of all current Commission regulations and guides, the Commission requested comments on, among other things, the economic impact of, and the continuing need for, the Rule, and State, local, and other Federal laws, and the effect on the rules of any technological, economic, or other industry changes.

Timetable:

Action	Date	FR Cite
Begin Review	04/03/96	61 FR 14688
Comment Period End	06/03/96	
Recommendation to Commission	01/00/98	
Final Commission Action	02/00/98	

Small Entities Affected: Businesses

Government Levels Affected: None

Agency Contact: Carole I. Danielson, Division of Marketing Practices, Bureau of Consumer Protection, Federal Trade Commission, Washington, DC 20580

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Proposed Rule Stage

Phone: 202 326-3115

RIN: 3084-AA72

4386. RULE GOVERNING THE PRE-SALE AVAILABILITY OF WRITTEN WARRANTY TERMS

Priority: Substantive, Nonsignificant

Legal Authority: 15 USC 41 et seq

CFR Citation: 16 CFR 702

Legal Deadline: None

Abstract: The Rule Governing the Pre-Sale Availability of Written Warranty Terms (Rule 702) establishes requirements for sellers and warrantors for making the terms of a written warranty available to the consumer prior to sale. Among other things, the Rule requires sellers to make warranty information readily available either by (1) displaying it in close proximity to the product or (2) furnishing it on request and posting signs in prominent locations advising consumers that warranty information is available. The Rule requires warrantors to provide materials to enable sellers to comply with the rule's requirements, and also sets out the methods by which warranty information can be made available prior to the sale of the product in instances where the product is sold through catalogs, through mail order or through door-to-door sales. The Commission is reviewing this Rule as part of its systematic review of all current Commission regulations and guides. The Commission has sought comments on, among other things, the economic impact of, and the continuing need for, this Rule.

Timetable:

Action	Date	FR Cite
Begin Review	04/03/96	61 FR 14688
Comment Period End	06/03/96	
Recommendation to Commission	10/00/97	
Final Commission Action	11/00/97	

Small Entities Affected: Businesses

Government Levels Affected: None

Agency Contact: Carole I. Danielson, Division of Marketing Practices, Bureau of Consumer Protection, Federal Trade Commission, Washington, DC 20580
Phone: 202 326-3115

RIN: 3084-AA73

4387. DECEPTIVE USE OF "LEAKPROOF," "GUARANTEED LEAKPROOF," ETC., AS DESCRIPTIVE OF DRY CELL BATTERIES

Priority: Substantive, Nonsignificant

Reinventing Government: This rulemaking is part of the Reinventing Government effort. It will revise text in the CFR to reduce burden or duplication, or streamline requirements.

Legal Authority: 15 USC 41 et seq

CFR Citation: 16 CFR 403

Legal Deadline: None

Abstract: On May 20, 1964, the Commission promulgated as a trade regulation rule its determination that in connection with the sale of dry cell batteries in commerce, the use of the word "leakproof," the term "guaranteed leakproof," or any other word or term of similar import, or any abbreviation thereof, in advertising, labeling, marking or otherwise, as descriptive of dry cell batteries, constitutes an unfair method of competition and an unfair or deceptive act or practice in violation of section 5 of the FTC Act. The Dry Cell Battery Rule does not prohibit manufacturers or marketers from offering or furnishing guarantees that provide for restitution in the event of damage from battery leakage, provided no representation is made, directly or indirectly, that dry cell batteries will not leak. The Rule further provides that in the event any person develops a new dry cell battery that he believes is in fact leakproof, he may apply to the Commission for an amendment to the Rule, or other appropriate relief. As part of its systematic review of all current Commission rules and guides, the Commission requested comments on, among other things, the economic impact of, and the continuing need for, this Rule, possible conflict between the Rule and state, local and other federal laws, and the effect on the Rule of any technological, economic, or other industry changes. The one comment received supported repeal of the Rule, indicating that it effectively has been superseded in the marketplace by the American National Standards Institute Standard C18.1M-1992 Dry Cells and Batteries - Specifications. Based on the foregoing, the Commission has decided to initiate a rulemaking proceeding to repeal the Dry Cell Battery Rule, and

will request further comments on the proposed repeal of the Rule.

Timetable:

Action	Date	FR Cite
Request for Comments	03/25/97	62 FR 14050
Comment Period End	04/24/97	
NPRM Recommendation to Commission	06/27/97	
Commission Action	07/09/97	
NPRM	08/19/97	62 FR 44099
NPRM Comment Period End	09/18/97	
Staff Consideration of Comments	11/00/97	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Neil Blickman, Division of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, Washington, DC 20580
Phone: 202 326-3038

RIN: 3084-AA77

4388. TRADE REGULATION RULE PURSUANT TO THE TELEPHONE DISCLOSURE AND DISPUTE RESOLUTION ACT OF 1992

Priority: Substantive, Nonsignificant

Legal Authority: 15 USC 5701 et seq

CFR Citation: 16 CFR 308

Legal Deadline: None

Abstract: Congress enacted the Telephone Disclosure and Dispute Resolution Act of 1992 ("TDDRA") to curtail certain unfair and deceptive practices perpetrated by some pay-per-call businesses, and to encourage the growth of the legitimate pay-per-call industry. TDDRA granted the Commission limited jurisdiction over common carriers for purposes of the 900-Number Rule, which became effective November 1, 1993. The Rule requires that advertisements for 900-Numbers contain certain disclosures; that anyone who calls a 900-Number service be given the opportunity to hang up at the conclusion of the preamble without incurring any charge for the call; and establishes procedures for resolving billing disputes for 900-Number calls. Under the terms of the Rule itself, a review of the Rule is required to be initiated by the Commission prior to November 1997. As part of this review, the Commission published a notice in the Federal Register on March 12, 1997, requesting

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Proposed Rule Stage

comments on, among other things, the economic impact of, and the continuing need for, the 900-Number Rule and the effect on the Rule of any technological or industry changes. The Commission also sought comments, pursuant to authority granted under the Telecommunications Act of 1996, on whether to expand the Rule to govern other similar audio information and entertainment services. Staff held a workshop-conference on June 19-20, 1997, during which members of the industry discussed issues raised in the comments, including billing and collection issues and possible ways to expand the definition of "pay-per-call services."

Timetable:

Action	Date	FR Cite
Request for Comments	03/12/97	62 FR 11750
Comment Period End	05/12/97	
Public Workshop	06/19/97	
Public Workshop	06/20/97	
Staff Recommendation to Commission	12/00/97	

Small Entities Affected: Businesses

Government Levels Affected: None

Agency Contact: Marianne K. Schwanke, Division of Marketing Practices, Bureau of Consumer Protection, Federal Trade Commission, Washington, DC 20580
Phone: 202 326-3165

RIN: 3084-AA78

4389. RULES AND REGULATIONS UNDER THE HOBBY PROTECTION ACT (SECTION 610 REVIEW)

Priority: Substantive, Nonsignificant

Legal Authority: 15 USC 41 et seq

CFR Citation: 16 CFR 304

Legal Deadline: None

Abstract: The Rules and Regulations under the Hobby Protection Act require that all imitation numismatic items sold in, or imported into, the United States be marked with the word "Copy." An amendment to the Rule in 1988 permits manufacturers of miniature numismatic items to mark the word "Copy" in smaller dimensions than those required under the previous Rule. The Commission determined, at that time, that the amendment would facilitate compliance with the Rule and eliminate potential costs, in both time and resources, to industry and the

Commission from individual variance applications for miniature numismatic items. The Commission is conducting a review of this Rule under the Regulatory Flexibility Act, 5 USC 601 et seq., as amended by the Small Business Regulatory Enforcement Fairness Act of 1996. At the same time, and as part of its systematic review of all current Commission rules and guides, the Commission requested comments on, among other things, the economic impact of, and the continuing need for, this Rule, possible conflict between the Rule and state, local and other federal laws, and the effect on the Rule of any technological, economic, or other industry changes, with particular emphasis on the effect on small businesses.

Timetable:

Action	Date	FR Cite
Request for Comments	03/25/97	62 FR 14049
Comment Period End	05/27/97	
Recommendation to Commission	11/00/97	

Small Entities Affected: Businesses

Government Levels Affected: None

Agency Contact: Robert Easton, Division of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, Washington, DC 20580
Phone: 202 326-3029

RIN: 3084-AA79

4390. TRADE REGULATION RULE CONCERNING POWER OUTPUT CLAIMS FOR AMPLIFIERS UTILIZED IN HOME ENTERTAINMENT PRODUCTS

Priority: Substantive, Nonsignificant

Legal Authority: 15 USC 41 et seq

CFR Citation: 16 CFR 432

Legal Deadline: None

Abstract: The Trade Regulation Rule Concerning Power Output Claims for Amplifiers Utilized in Home Entertainment Products ("Amplifier Rule" or "Rule") was promulgated in 1974 to assist consumers in purchasing power amplification equipment for home entertainment purposes by standardizing the measurement and disclosure of various performance characteristics of the equipment. The Amplifier Rule establishes uniform test standards and disclosures so that consumers can make more meaningful

comparisons of performance attributes. The Rule makes it an unfair method of competition and an unfair or deceptive act or practice for manufacturers and sellers of sound power amplification equipment for home entertainment purposes to fail to disclose certain performance information in connection with direct or indirect representations of power output, power band, frequency or distortion characteristics. The Rule also sets out standard test conditions for performing the measurements that support the required performance disclosures. Further, the Rule prohibits representations of performance characteristics if they are not obtainable when the equipment is operated by the consumer in the usual and ordinary manner without the use of extraneous aids. As part of its systematic review of all current Commission rules and guides, the Commission requested comments on, among other things, the economic impact of, and the continuing need for, this Rule possible conflict between the Rule and state, local and other federal laws, and the effect on the Rule of any technological, economic, or other industry changes. In reviewing the Rule, the Commission also noted a tentative determination that the Rule applies to self-powered speakers for use with home computers and home sound systems, as well as other amplification equipment for home computers, but asked for comments on whether such products should be outside the Rule's scope. The Commission also requested comments on whether the Rule's provision should be extended to automobile sound systems and whether existing testing and disclosure requirements need to be modified for use with automotive sound amplification.

Timetable:

Action	Date	FR Cite
Request for Comments	04/07/97	62 FR 16500
Comment Period End	06/06/97	
Recommendation to Commission	11/00/97	

Small Entities Affected: Businesses

Government Levels Affected: None

Agency Contact: Robert Easton, Division of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, Washington, DC 20580
Phone: 202 326-3029

RIN: 3084-AA81

FEDERAL TRADE COMMISSION (FTC)

Final Rule Stage

4391. TRADE REGULATION RULE CONCERNING THE USE OF NEGATIVE OPTION PLANS BY SELLERS IN COMMERCE

Priority: Substantive, Nonsignificant

Legal Authority: 15 USC 41 et seq

CFR Citation: 16 CFR 425

Legal Deadline: None

Abstract: The Trade Regulation Rule Concerning the use of Negative Option Plans by Sellers in Commerce ("Negative Option Rule") governs a type of selling technique known as a negative option plan. Under such a plan, a seller and a subscriber enter into a contractual agreement whereby the seller will periodically sell merchandise to the subscriber by shipping merchandise to the subscriber even though the subscriber has not affirmatively ordered the merchandise.

The Negative Option Rule requires sellers who use negative option plans to disclose the material terms of the plans clearly and conspicuously in their promotional materials. The Rule requires, in part, that the seller send to the subscriber an announcement, which identifies the merchandise the seller intends to send to the subscriber. The seller will then send the merchandise and bill the subscriber for it, unless the subscriber instructs the seller by a certain date not to send the merchandise. A negative option plan will often require a subscriber to purchase a minimum quantity of merchandise, after which the subscriber may cancel his membership. As part of its systematic review of all current Commission rules and guides, the Commission requested comments on, among other things, the economic impact of, and the continuing need for,

this Rule, possible conflict between the Rule and state, local and other federal laws, and the effect on the Rule of any technological, economic, or other industry changes.

Timetable:

Action	Date	FR Cite
Request for Comments	03/31/97	62 FR 15135
Comment Period End	06/02/97	
Recommendation to Commission	10/00/97	

Small Entities Affected: Businesses

Government Levels Affected: None

Agency Contact: Edwin Rodriguez, Division of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, Washington, DC 20580
Phone: 202 326-3147

RIN: 3084-AA76

FEDERAL TRADE COMMISSION (FTC)

Long-Term Actions

4392. AMENDED FEDERAL DEPOSIT INSURANCE CORPORATION IMPROVEMENT ACT

Priority: Substantive, Nonsignificant

CFR Citation: Not yet determined

Timetable: Next Action Undetermined

Small Entities Affected: Undetermined

Government Levels Affected: State

Agency Contact: Carole Reynolds

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RIN: 3084-AA44

4393. REGULATORY REVIEW

Priority: Other Significant

CFR Citation: 16 CFR 1 et seq

Timetable:

Action	Date	FR Cite
Rule Review Continuing	00/00/00	

Small Entities Affected: Businesses

Government Levels Affected: None

Agency Contact: Kent Howerton
Phone: 202 326-3013

RIN: 3084-AA47

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