

stating its intention to reexamine the rule, and to decide what action, if any, to take.

In a letter dated November 20, 1978, placed in the docket and served on all parties, the attorney for the petitioning carriers asked the Board to continue the stay *prudente lite, as requested* in their original petition. The carriers argue that RR-1018 would involve substantial burdens and competitive harm to them, and that the Court of Appeals will not have acted on their Petition for Review of the rule by expiration of the Board's current stay, expiring December 18, 1979.

The Board intends to reexamine RR-1078 at its public meeting during the week of December 4, 1978. In order to provide the carriers sufficient time to comply, or take any other action, in response to the Board's decision at this meeting, the effectiveness of RR-1018 is extended an additional 30 days.

Accordingly, the effective date of RR-1078 (43 FR 50184, October 27, 1978), amending Part 250 of the Board's Economic Regulations (14 CFR Part 250), is changed to January 18, 1979.

C&C, 204(a) Federal Aviation Act of 1958, as amended, 72 Stat. 743. (49 U.S.C. 1324(a))

By the Civil Aeronautics Board.

PHYLLIS T. KAYLOR

Secretary

FR Doc. 18-34193 Filed 12-2-M& 8:45 am

[6750-01-M]

## Title 16 - Commercial Practices

### CHAPTER I - FEDERAL TRADE COMMISSION

#### SUBCHAPTER G-RULES, REGULATIONS, STATEMENTS AND INTERPRETATIONS UNDER THE MAGNUSON-MOSS WARRANTY ACT

#### SERVICE CONTRACTS AND IMPLIED WARRANTIES

#### Section 108 of the Act; Advisory Opinion

AGENCY: Federal Trade Commission.

ACTION: Advisory opinion

SUMMARY: The Federal Trade Commission issues an advisory opinion that relates to service contracts and implied warranties. The Commission states that Section 108 of the Magnuson-Moss Warranty Act prohibits a proposed course of action whereby automobile dealers entering into service contracts with vehicle purchasers at the time of sale seek to limit the duration of implied warranties therein.

<sup>1</sup>Air Canada et al. v. CAB. (CADC Nos. XL2073, 78-2143).

DATE: Effective December 7, 1978

FOR FURTHER INFORMATION CONTACT

Jeffrey Ram, Attorney, Division of Product Reliability, Bureau of Consumer Protection, Federal Trade Commission, Washington, D.C. 20580, 202-523-1753.

#### SUPPLEMENTARY INFORMATION:

By letter of October 4th and 18th, 1978, the firm of Rain, Harrell, Emery, Young and Duke requested on behalf of their clients, automobile dealers who enter into service contracts with vehicle purchasers at the time of sale, an opinion as to whether Section 108 of the Magnuson-Moss Warranty Act would prohibit limiting the duration of implied warranties to the duration of the service contract.

The Commission responded to the request as follows:

CATHLEEN CHANDLER STEVENSON, ESQ.  
Rain, Harrell, Emery, Young and Duke, Republic National Bank Tower, Dallas, Texas 75201

DEAR Mrs. Stevenson: This in response to your letters of October 4th and 18th, 1978 requesting an advisory opinion as to whether Section 108 of the Magnuson-Moss Warranty Act, 15 U.S.C. 2308, would prohibit a proposed course of action for your clients. Your clients, automobile dealers who enter into service contracts with vehicle purchasers at the time of sale, propose to limit the duration of implied warranties to the duration of the service contract.

Section 108(a) of the Act flatly prohibits any modification of implied warranties by a supplier when a full warranty is offered or a service contract entered into. This section states:

No supplier may disclaim or modify (except as provided in subsection (b)) any implied warranty to a consumer with respect to such consumer product if (1) such supplier makes any written warranty to the consumer with respect to such consumer product, or (2) at the time of sale, or within 99 days thereafter, such supplier enters into a service contract with the consumer which applies to such consumer product.

Section 108(b) of the Act creates an exception to the general rule in Section 108(a) in the following manner:

For purposes of the title (other than section 104(a)(2)), implied warranties may be limited in duration to the duration of a written warranty of reasonable duration, if such limitation is conspicuous and is set forth in clear and unambiguous language and prominently displayed on the face of the warranty.

The exception in Section 108(b) does not refer, however, to service contracts or provide for the limitation of implied warranties in service contracts. In fact, the provision specifically requires that any permitted limitation of implied

warranties be "prominently displayed on the face of the warranty" (emphasis added). Had Congress intended the exception to apply to service contracts as well, Section 108(b) would read "prominently displayed on the face of the warranty or service contract. Further, there is no other section of the Act that could be interpreted to allow the course of action you have proposed.

Section 108(b) would thus not except the proposed course of action from the general prohibition against disclaimer or limitation of implied warranties in Section 108(a) of the Act.

By direction of the Commission dated November 17, 1978.

CASOL M. TKIOMAS,  
Secretary.

FR Doc. 78-34144 Filed 12-6-78; 8:45 am

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### Title 16-Commercial Practicer

#### CHAPTER II-CONSUMER PRODUCT SAFETY COMMISSION

#### PART 1201-SAFETY STANDARD FOR ARCHITECTURAL GLAZING MATERIALS

#### Amendment to Standard Exempting Curtain Decorative Glazing Materials

AGENCY: Consumer Product Safety Commission.

ACTION: Final amendment to rule.

SUMMARY: In document, the Commission amends the Safety Standard For Architectural Glazing Materials to exempt from its coverage carved glass, dalle glass, and leaded glass, if those materials are incorporated into doors or glazed panels covered by the standard for decorative or artistic purposes. The exemption is issued because these glazing materials have an aesthetic and artistic value but are unable to meet the requirements of the standard; acceptable substitute glazing is not available; and any risk of injury is mitigated by the visibility of the glass. The Commission in this document also lifts the stay of the standard it issued for faceted, patinaed, and leaded glass which has been ineffect pending action on this amendment.

DATES: The exemption for carved glass, dalle glass, and leaded glass incorporated into doors or glazed panels covered by the standard for decorative or artistic purposes is effective on December 7, 1978. The stay of the standard for faceted glass and leaded glass is lifted effective December 7, 1978. The stay of the standard for "patinaed