and 128,650 fact sheets prepared,[3] at an average cost of seven cents for each label or fact sheet, the total (rounded) labeling cost is $3,516,922.

The total cost for labeling, marking and preparing fact sheets for all industries covered by the Rule is, therefore, $3,519,422 annually ($43,516,922 + $2,500), rounded to $3,519,000.

John D. Graubert,

Acting General Counsel.

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FEDERAL TRADE COMMISSION

Agency Information Collection Activities; Submission for OMB Review; Comment Request

AGENCY: Federal Trade Commission (''FTC'' or ''Commission'').

ACTION: Notice.

SUMMARY: The Federal Trade Commission (FTC) has submitted to the Office of Management and Budget (OMB) for review under the Paperwork Reduction Act (PRA) information collection requirements contained in (1) the Rule Concerning Disclosure of Written Consumer Product Warranty Terms and Conditions; (2) the Rule Governing Pre-Sale Availability of Written Warranty Terms; and (3) the Informal Dispute Settlement Procedures Rule (collectively, ''Warranty Rules''). The FTC is seeking public comments on its proposal to extend through September 30, 2004 the current PRA clearance for these information collection requirements. These clearances expire on September 30, 2001.

DATES: Comments must be submitted on or before September 12, 2001.

ADDRESSES: Send comments to the Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10202, Washington, DC 20503, Attn.: Desk Officer for the Federal Trade Commission, and to Secretary, Federal Trade Commission, Room H–159, 600 Pennsylvania Ave., NW., Washington, DC 20580. All comments should be captioned ''Warranty Rules: Paperwork comment.''

FOR FURTHER INFORMATION CONTACT: Requests for additional information or copies of the proposed information requirements should be addressed to Carole Danielson, Investigator, Division of Marketing Practices, Bureau of Consumer Protection, Federal Trade Commission, Room H–238, 600 Pennsylvania Ave., NW., Washington, DC 20580, (202) 326–3115.

SUPPLEMENTARY INFORMATION: Under the PRA (44 U.S.C. 3501–3520), Federal agencies must obtain approval from OMB for each collection of information they conduct or sponsor. On May 31, 2001, the FTC sought comment on the information collection requirements associated with the Warranty Rules, 16 CFR parts 701, 702, and 703 (OMB Control Numbers 3084–0111, 3084–0112, and 3084–0113, respectively). See 66 FR 29571. No comments were received.

The Warranty Rules implement the Magnuson-Moss Warranty Act, 15 U.S.C. 2301 *et seq.* (''the Act''), which governs written warranties on consumer products. The Act directed the FTC to promulgate rules regarding the disclosure of written warranty terms and conditions, rules requiring that the terms of any written warranty on a consumer product be made available to the prospective purchaser before the sale of the product, and rules establishing minimum standards for informal dispute settlement mechanisms that are incorporated into a written warranty. Pursuant to the Act, the Commission published the instant three rules.[1]

Consumer Product Warranty Rule (''Warranty Rule'')

The Warranty Rule specifies the information that must appear in a written warranty on a consumer product. It sets forth what warrantors must disclose about the terms and conditions of the written warranties they offer on consumer products that cost the consumer more than $15.00. The Rule tracks the disclosure requirements suggested in section 102(a) of the Act,[2] specifying information that must appear in the written warranty and, for certain disclosures, mandates the exact language that must be used. The Warranty Rule requires that the information be conspicuously disclosed in a single document in simple, easily understood language. In promulgating this rule, the Commission determined that the items required to be disclosed are material facts about product warranties, the non-disclosure of which would be deceptive or misleading.[3]

The Rule Governing Pre-Sale Availability of Written Warranty Terms (''Pre-Sale Availability Rule'')

In accordance with section 102(b)(1)(A) of the Act, the Pre-Sale Availability Rule establishes requirements for sellers and warrantors to make the text of any written warranty on a consumer product available to the consumer before sale. Following the Rule's original promulgation, the Commission amended it to provide sellers with greater flexibility in how to make warranty information available.[4]

Among other things the amended Rule requires sellers to make the text of the warranty readily available either by (1) displaying in close proximity to the product or (2) furnishing it on request and posting signs in prominent locations advising consumers that the warranty 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 before the sale if the product is sold through catalogs, mail order, or door-to-door sales.

Informal Dispute Settlement Rule (''Informal Dispute Settlement Rule'')

This rule specifies the minimum standards that must be met by any informal dispute settlement mechanism incorporated into a written consumer product warranty and that the consumer must use before pursuing legal remedies in court. In enacting the Warranty Act, Congress recognized the potential benefits of consumer dispute mechanisms as an alternative to the judicial process. Section 110(a) of the Act, 15 U.S.C. 2310(a), sets out the Congressional policy to ''encourage warrantors to establish procedures whereby consumer disputes are fairly and expeditiously settled through informal dispute settlement mechanisms'' (''IDSMs'') and erected a framework for their establishment. As an incentive to warrantors to establish IDSMs. Congress provided in section 110(a)(3), 15 U.S.C. 2310(a)(3), that warrantors may incorporate into their written consumer product warranties a

[3] The units shipped total is based on combined actual or estimated industry figures for calendar year 2000 across all of the product categories, except for fluorescent lamp ballasts, lamp products, and plumbing products. Staff has determined that, for those product categories, these are little or no costs associated with the labeling requirements. The fact sheet estimation is based on the previously noted assumption that five percent of HVAC manufacturers produce fact sheets on their own. Based on total HVAC units shipped (10,291,965), five percent amounts to 514,598 HVAC units. Because manufacturers generally list more than one unit on a fact sheet, staff has estimated that manufacturers independently preparing them will use one sheet for every four of these 514,598 units. Thus, staff estimates that HVAC manufacturers produce approximately 128,650 fact sheets.

[1] 40 FR 60168 (December 31, 1975).

[2] 15 U.S.C. 2302(a).

[3] 40 FR 60168, 60169–60170.

[4] 52 FR 7569 (March 12, 1987).

requirement that a consumer must resort to an IDSM before pursuing a legal remedy under the Act for breach of warranty. To ensure fairness to consumers, however, Congress also directed that, if a warrantor were to incorporate such a ''prior resort requirement'' into its written warranty, the warrantor must comply with the minimum standards set by the Commission for such IDSMs. Section 110(a)(2) directed the Commission to establish those minimum standards.

The Informal Dispute Settlement Rule contains extensive procedural standards for IDSMs. These standards include requirements concerning the mechanism's structure (e.g., funding, staffing, and neutrality), the qualifications of staff or decision makers, the mechanism's procedures for resolving disputes (e.g., notification, investigation, time limits for decisions, and follow-up), recordkeeping, and annual audits. The Rule requires that warrantors establish written operating procedures and provide copies of those procedures upon request. The Rule's recordkeeping requirements specify that all records may be kept confidential or otherwise made available only on terms specified by the mechanism. However, the records are available for inspection by the Commission and other law enforcement personnel to determine compliance with the Rule, and the records relating to a specific dispute as available to the parties in that dispute. In addition, the audits and certain specified records are available to the general public for inspection and copying.

The Rule applies only to those firms that choose to be bound by it by placing a prior resort requirement in their written consumer product warranties. Neither the Rule nor the Act requires warrantors to set up IDSMs. Furthermore, a warrantor is free to set up an IDSM that does not comply with this rule as long as the warranty does not contain a prior resort requirement.

Warranty Rule Burden Statement

Total annual hours burden: 34,000 hours. In 1998, the FTC estimated that the cumulative information collection burden of including the disclosures required by the Warranty Rule in consumer product warranties was approximately 34,000 hours for affected manufacturers. Since the Rule's paperwork requirements have not changed since then, and staff believes that the population affected is largely unchanged, staff concludes this its prior estimate remains reasonable. Moreover, since most warrantors would disclose this information even were there no statute or rule requiring them to do so, this estimate and those below pertaining to the Warranty Rule likely overstate the paperwork burden attributable to it. The Rule has been in effect since 1976, and most warrantors have already modified their warranties to include the information the Rule requires.

The above estimate is derived as follows. Based on conversations with various warrantors' representatives over the years, staff concluded that eight hours per year is a reasonable estimate of warrantors' paperwork burden attributable to the Warranty Rule. This estimate includes the task of ensuring that new warranties and changes to existing warranties comply with the rule. In 1995, staff reported that the most recently published census data indicated that there was a 17% increased in manufacturing establishments during the 1980s. Adjusting for these increases, staff estimated in 1995 that the number of manufacturing entities subject to the commission's jurisdiction had increased to 4,241 (3,625 × 1.17), which produced an adjusted burden figure of 33,928 (4,241 × 8 hours annually/manufacturer), rounded to 34,000. As staff does not believe that the population affected nor the burden per entity has changed materially, the prior estimate is still valid.

Total annual labor costs: Labor costs are derived by applying appropriate hourly cost figures to the burden hours described above. The work required to comply with the Warranty Rule is predominantly clerical. Based on an average hourly rate of $10 for clerical employees and 34,000 total burden hours, the annual labor cost is approximately $340,000.

Total annual capital or other non-labor costs: The Rule imposes no appreciable current capital or start-up costs. The vast majority of warrantors have already modified their warranties to include the information the Rule requires. Rule compliance does not require the use of any capital goods, other than ordinary office equipment, which providers would already have available for general business use.

Pre-Sale Availability Rule Burden Statement

Total annual hours burden: Staff estimates that the burden of including the disclosures required by the Pre-Sale Availability rule in consumer product a warranties is 2,760,000 hours, rounded to the nearest thousand.

In 1998, FTC staff estimated that the information collection burden of including the disclosures required by the Pre-Sale Availability rule in consumer product warranties was approximately 2,759,700 hours per year per manufacturer. Since then, some online retailers have begun to cost warranty information on their web sites, which should reduce their cost of providing the required information. However, this method of compliance is still evolving and involves a relatively small number of firms. Furthermore, those online retailers that also operate ''brick-and-mortar'' operations would still have to provide paper copies of the warranty for review by those customers who do not do business online. Thus, online methods of complying with the Rule do not yet appear to be sufficiently widespread so as to significantly alter the measure of burden associated with the Rule.

Given no change in the Rule's paperwork requirements since 1998, the considerations noted above, and staff's belief that the population affected is largely unchanged, staff believes that its prior estimate remains reasonable. That estimate was based on the following information and calculations regarding retailers and manufacturers. As of 1995, there were 6,552 large retailers, 422,100 small retailers, 146 large manufacturers, and 4,095 small manufacturers subject to the Commission's jurisdiction under the Rule. Because of the reduced burden due to the Rule's amendments, large retailers now spend an average of 26 hours per year and small retailers an average of 6 hours per year to comply with the Rule. This yields a total burden of 2,702,952 hours for retailers. Large manufacturers spend an average of 52 hours per year and small manufacturers spend an average of 12 hours per year, for a total burden estimate of 56,732 hours. Thus, the combined total burden is 2,760,000 hours, rounded to the nearest thousand.

Total annual labor cost: The work required to comply with the Pre-Sale Availability rule is predominantly clerical, e.g., providing copies of manufacturer warranties to retailers and retailer maintenance of them. Assuming a clerical labor cost rate of $10/hours, the total annual labor cost burden is approximately $27,600,000.

Total annual capital or other non-labor costs: De minimis. The vast majority of retailers and warrantors already have developed systems to provide the information the Rule requires. Compliance by retailers typically entails simply filing warranties in binders and posting an inexpensive sign indicating warranty availability. Manufacturer compliance entails providing retailers with a copy of the warranties included with their products.

Informal Dispute Settlement Rule Burden Statements

Total annual hours burden: 34,000 hours. The primary burden from the Informal Dispute Settlement Rule comes from its recordkeeping requirements that apply to IDSMs incorporated into a consumer product warranty. Staff estimates that recordkeeping and reporting burdens are 24,625 hours per year and the disclosure burdens are 9,235 hours per year. The total estimated burden imposed by the Rule is thus approximately 34,000 hours, rounded to the nearest thousand. This marks an increase over staff's estimates relating to the FTC's prior clearance request regarding the Rule. At that time, staff estimated that recordkeeping and reporting burden was 4,334 hours per year and 1,625 hours per year for disclosure requirements or, cumulatively, approximately 6,000 hours.

Although the Rule's paperwork requirements have not changed since the FTC's immediately preceding PRA clearance request, staff believes that more manufacturers have since chosen to be covered by the Rule. The calculations underlying these increased estimates follow.

Recordkeeping: The Rule requires that IDSMs maintain individual case files, update indexes, complete semi-annual statistical summaries, and submit an annual audit report to the FTC. The greatest amount of time to meet recordkeeping requirements is devoted to compiling individual case records. Since maintaining individual case records is a necessary function for any IDSM, much of the burden would be incurred in any event; however, staff estimates that the Rule's recordkeeping requirements impose an additional burden of 30 minutes per case. Staff also has allocated 10 minutes per case for compiling indexes, statistical summaries, and the annual audit required by the Rule, resulting in a total recordkeeping requirement of 40 minutes per case.

The amount of work required will depend on the total number of dispute resolution proceedings undertaken in each IDSM. The 1999 audit report for the BBB AUTO LINE states that, during calendar year 1999, it handled 21,392 warranty disputes on behalf of 14 manufacturers (including General Motors, Saturn, Honda, Volkswagen, Isuzu, and Nissan, as well as smaller companies such as Rolls Royce and Land Rover). Industry representatives have informed staff that all domestic manufacturers and most importers now include a ''prior resort'' requirement in their warranties, and thus are covered by the Informal Dispute Settlement Rule. Therefore, staff assumes that virtually all of the 21,392 disputes handled by the BBB fall within the Rule's parameters. Apart from the BBB audit report, 1999 reports were also submitted by the two mechanisms that handle dispute resolution for Toyota and Ford, both of which are covered by the Rule.[5] The Ford IDSM states that it handled 7,246 total disputes. The audit of the Toyota IDSM did not state the total number of disputes handled; however, based on consumer publications tracking the auto industry, staff conservatively estimates that the Toyota IDSM handled approximately 3,600 total disputes. All of the Toyota and Ford disputes are covered by the Informal Dispute Settlement Rule. Daimler-Chrysler is the only major domestic auto manufacturer for which staff has not data. However, assuming that the incidence of disputes relative to sales is proportional to that experienced by Ford, the number of disputes handled by Chrysler's IDSM[6] would be approximately two-thirds of the Ford total, i.e., roughly 4,700 disputes. Based on the above data and assumptions, staff projects that the total number of disputes handled by the Rule's mechanisms total is 36,938. Thus, staff estimates the total burden to be approximately 24,625 hours (36,938 disputes × 40 minutes ÷ 60 min./hr.).

Disclosure: The Rule requires that information about the mechanism be disclosed in the written warranty. Any incremental costs to the warrantor of including this additional information in the warranty are negligible. The majority of such costs would be borne by the IDSM, which is required to provide to interested consumers upon request copies of the various types of information the IDSM possesses, including annual audits. Consumers who have dealt with the IDSM also have a right to copies of records relating to their disputes. (IDSMs are permitted to charge for providing both types of information.) Given the small number of entities that have operated programs over the years, staff estimates that the burden imposed by the disclosure requirements is approximately 9,235 hours per year for the existing IDSMs to provide copies of this information. This estimate draws from the estimated number of consumers who file claims each year with the IDSMs (36, 938) and the assumption that each consumer individually requests copies of the records relating to their dispute. Staff estimates that the copying would require approximately 15 minutes per consumer, including copies of the annual audit.[7] Thus, the IDSMs currently operating under the Rule would have a total estimated burden of about 9,235 hours (36,938 disputes × 15 min. ÷ 60 min./hr.).

Total annual labor cost: $461,725.

Assuming that IDSMs use skilled clerical or technical support staff to compile and maintain the records required by the Rule at an hourly rate of $15, the labor cost associated with the 24,625 recordkeeping burden hours would be $369,375. If IDSMs use clerical support at an hourly rate of $10 to reproduce records, the labor costs of the 9,235 disclosure burden hours is approximately $92,350. The combined total labor cost for recordkeeping and disclosures is $461,725.

Total annual capital or other non-labor costs: $300,000.

Total capital and start-up costs: The Rule imposes no appreciable current capital or start-up costs. The vast majority of warrantors have already developed systems to retain the records and provide the disclosures required by the Rule. Rule compliance does not require the use of any capital goods, other than ordinary office equipment, to which providers would already have access.

The only additional cost imposed on IDSMs subject to the Rule that would not be incurred for other IDSMs is the annual audit requirement. One of the IDSMs currently operating under the Rule, the BBB AUTO LINE, estimated the total annual costs of this requirement to be under $100,000.[8] Since there are three IDSMs operating under the Rule, staff estimates the total non-labor costs associated with the Rule to be three times that amount, or $300,000. This extrapolated total, however, also reflects an estimated $120,000 for copying costs, which is accounted for separately under the category below. Thus, estimated costs attributable solely to capital or start-up expenditures is $180,000.

Other non-labor costs: $120,000 in copying costs. This total is based on

[5] So far as staff is aware, all or virtually all of the IDSMs subject to the Rule are within the auto industry.

[6] Toyota and Chrysler share the same IDSM, though each company is reported separately.

[7] This estimate incorporates any additional time needed to reproduce copies of audit reports for consumers upon their request. Inasmuch as consumers request such copies in only a minority of cases, this estimate is likely an overstatement.

[8] The BBB did not break down this estimate by cost item. Staff conservatively included the entire $100,000 in its estimate of capital and other non-labor costs, even though some of this burden is likely already accounted for as labor costs.

estimated copying costs of 5 cents per page and several conservative assumptions or estimates. Staff estimates that the ''average'' dispute-related file is about 25 pages long and that a typical annual audit file is about 200 pages in length. For purposes of estimating copying costs, staff assumes that every consumer complainant (or approximately 36,938 consumers) requests a copy of the file relating to his or her dispute. Staff also assumes that, for about 7,388 (20%) of the estimated 36,938 disputes each year, consumers request copies of warrantors' annual audit reports (although, based on requests for audit reports made directly to the FTC, the indications are that considerably fewer requests are actually made). Thus, the estimated total annual copying costs for average-sized files would be approximately $46,173 (25 pages/file × 36,938 requests) and $73,880 for copies of annual audits (200 pages/audit report × .05 × 7,388 requests), for total copying costs of $120,053, rounded to $120,000).

John D. Graubert,

Acting General Counsel.

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Disease Control and Prevention

Agency for Toxic Substances and Disease Registry

[Program Announcement 02004]

Public Health Conference Support Grant Program; Notice of Availability of Funds

A. Purpose

The Centers for Disease Control and Prevention (CDC) and the Agency for Toxic Substances and Disease Registry (ATSDR) announce the availability of fiscal year (FY) 2002 funds for a grant program for Public Health Conference Support. This program addresses the health promotion and disease prevention objectives of ''Healthy People 2010''. This announcement is related to the focus areas of Arthritis, Osteoporosis, Chronic Back Conditions, Cancer, Diabetes, Disability and Secondary Conditions, Educational and Community-Based Programs, Environmental Health, Heart Disease and Stroke, Immunization and Infectious Diseases, Injury and Violence Prevention, Maternal, Infant and Child Health, Occupational Safety and Health, Oral Health, Physical Activity and Fitness, Public Health Infrastructure, Respiratory Diseases, Sexually Transmitted Diseases, and Tobacco Use. For a copy of ''Healthy People 2010'' visit the internet site http://www.health.gov/healthypeople

Conferences on Access to Quality Health Services, Family Planning, Food Safety, Health Communications, Medical Product Safety, Nutrition and Overweight, Substance Abuse, and Vision and Hearing, are not priority focus areas of CDC or ATSDR, and should be directed to other Federal Agencies. HIV is not included in this Program Announcement.

The purpose of conference support funding is to provide partial support for specific non-federal conferences (not a series) in the areas of health promotion and disease prevention information and education programs, and applied research.

Because conference support by CDC/ATSDR creates the appearance of CDC/ATSDR co-sponsorship, there will be active participation by CDC/ATSDR in the development and approval of the conference agenda. CDC/ATSDR funds will be expended only for approved portions of the conference.

The mission of CDC is to promote health and improve the quality of life by preventing and controlling disease, injury, and disability.

CDC supports local, Tribal, State, academic, national, and international health efforts to prevent unnecessary disease, disability, and premature death, and to improve the quality of life. This support often takes the form of education, and the transfer of high quality research findings and public health strategies and practices through symposia, seminars, and workshops. Through the support of conferences and meetings (not a series) in the areas of public health research, education, prevention research in program and policy development in managed care and prevention application, CDC is meeting its overall goal of dissemination and implementation of new cost-effective intervention strategies.

ATSDR focus areas are: (1) Health effects of hazardous substances in the environment; (2) disease and toxic substance exposure registries; (3) hazardous substance removal and remediation; (4) emergency response to toxic and environmental disasters; (5) risk communication; (6) environmental disease surveillance; and (7) investigation and research on hazardous substances in the environment. The mission of ATSDR is to prevent both exposure and adverse human health effects that diminish the quality of life associated with exposure to hazardous substances from waste sites, unplanned releases, and other sources of pollution present in the environment.

ATSDR's systematic approaches are needed for linking applicable resources in public health with individuals and organizations involved in the practice of applying such research. Mechanisms are also needed to shorten the time frame between the development of disease prevention and health promotion techniques and their practical application. ATSDR believes that conferences and similar meetings (not a series) that permit individuals to engage in hazardous substances and environmental health research, education, and application (related to actual and/or potential human exposure to toxic substances) to interact, are critical for the development and implementation of effective programs to prevent adverse health effects from hazardous substances.

B. Eligible Applicants

Applications for CDC support may be submitted by public and private non-profit organizations. Public and private non-profit entities include State and local governments or their bona fide agents, voluntary associations, foundations, civic groups, scientific or professional associations, universities, and Federally-recognized Indian tribal governments, Indian tribes, or Indian tribal organizations.

Only conferences planned for May 1, 2002 through September 30, 2003 are eligible to apply under this announcement.

Note: Title 2 of the United States Code, Chapter 26, Section 1611 states that an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 that engages in lobbying activities is not eligible to receive Federal Funds constituting an award, grant, cooperative agreement, contract, loan, or any other form.

Applications for ATSDR support may be submitted by the official public health agencies of the States, or their bona fide agents. This includes the District of Columbia, American Samoa, the Commonwealth of Puerto Rico, the Virgin Islands, the Federated States of Micronesia, Guam, the Northern Mariana Islands, the Republic of the Marshall Islands, the Republic of Palau, and Federally-recognized Indian Tribal governments. State organizations, including State universities, State colleges, and State research institutions must establish that they meet their respective State's legislature definition of a State entity or political subdivision to be considered an eligible applicant.