

PART 93—SPECIAL AIR TRAFFIC RULES AND AIRPORT TRAFFIC PATTERNS

Subpart T—Washington National Airport Traffic Rules

Sec.

93.251 Applicability.

93.253 Nonstop operations.

Subpart T—Washington National Airport Traffic Rules

§ 93.251 Applicability.

This subpart prescribes rules applicable to the operation of aircraft to or from Washington National Airport.

§ 93.253 Nonstop operations.

No person may operate an aircraft nonstop in air transportation between Washington National Airport and another airport that is more than 1,250 miles away from Washington National Airport.

PART 159—[AMENDED]

4. The authority citation for Part 159 is revised to read as follows:

Authority: The Metropolitan Washington Airports Act of 1986; 49 U.S.C. 106(g) (revised, Pub. L. 97-449, January 12, 1983).

5. Section 159.59 is revised to read as follows:

§ 159.59 Aircraft equipment and operation rules.

(a) Except when authorized by the Airport Manager, no person may operate a fixed-wing aircraft on the Airport unless it has a tail or nose wheel and wheel brakes.

(b) If the pilot of an aircraft that does not have adequate brakes is authorized by the Airport Manager to taxi his aircraft, he may not taxi it near a building or a parked aircraft unless there is an attendant at the wing of his aircraft to help him.

(c) Notwithstanding paragraphs (a) and (b) of this section, an aircraft that has wings and tail higher than five feet from the ground and does not have adequate brakes may not be taxied on the Airport under any conditions and must be towed if it is necessary to move it.

§ 159.60 [Removed]

6. Section 159.60 is removed.

§ 159.191 [Removed]

7. Section 159.191 is removed.

Issued in Washington, DC, on November 29, 1986.

Donald D. Engen,

Administrator.

[FR Doc. 86-27182 Filed 12-1-86; 8:45 am]

BILLING CODE 4910-13-M

FEDERAL TRADE COMMISSION

16 CFR Part 13

[Docket No. 8922]

Beneficial Corp. et al.; Prohibited Trade Practices, and Affirmative Corrective Actions

AGENCY: Federal Trade Commission.

ACTION: Modifyng order.

SUMMARY: The Federal Trade Commission has modified a 1979 consent order (44 FR 58901) by: (1) Removing a prohibition on the use of the term "instant tax refund," but requiring respondents to disclose that a fee is involved and to make the refund within five days; (2) deleting a requirement that respondents disclose all terms of their guarantees in ads and replacing it with a provision allowing respondents to disclose that full details can be obtained by reading the guarantee; (3) requiring respondents to disclose that their offer to pay obligations resulting from the companies' errors does not include payment of taxes that its customers owe; (4) modifying a prohibition against advertising the expertise of their tax preparers by allowing claims that can be substantiated; and (5) modifying a prohibition against the disclosure of confidential taxpayer information, by allowing such disclosure if IRS procedures are followed.

DATES: Consent Order issued September 12, 1979. Modified Order issued November 3, 1986.

FOR FURTHER INFORMATION CONTACT: FTC/B-425, George T. O'Brien, Washington, DC 20580. (202) 376-3466.

SUPPLEMENTARY INFORMATION: In the Matter of Beneficial Corporation, a Delaware corporation; and Beneficial Management Corporation, a Delaware corporation. The prohibited trade practices and/or corrective actions, as set forth at 44 FR 58901, remain unchanged.

List of Subjects in 16 CFR Part 13

Tax preparation services, Trade practices.

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interprets or applies sec. 5, 38 Stat. 719, as amended; 15 U.S.C. 45)

Order Reopening the Proceeding and Modifying Cease and Desist Order

Before Federal Trade Commission

[Docket No. 8922]

Commissioners: Daniel Oliver, Chairman; Patricia P. Bailey; Terry Calvani; Mary L. Azcuenaga; Andrew J. Strenio, Jr.

In the Matter of Beneficial Corp., a Delaware corporation; and Beneficial Management Corp., a Delaware corporation.

On May 28, 1986, Beneficial Corporation and Beneficial Management Corporation, both Delaware corporations, filed a request to reopen and modify the order entered against them by the Commission on September 12, 1979, in Docket No. 8922 (94 FTC 425).

The request to reopen and modify was placed on the public record and a press release was issued on June 12, 1986. The public comment period ended on July 14, 1986, and two comments were filed. The deadline to rule on petitioners' request has been extended to November 3, 1986.

Petitioners are engaged in the advertising and sale on an income tax preparation service for individual taxpayers. The order prohibits use of the term "instant tax refund", requires disclosure of all terms of a guarantee, prohibits a misrepresentative of the reimbursement petitioner will make to consumers in the event of an error and requires a disclosure that petitioner will not reimburse the consumer for additional taxes, makes absolute prohibitions against the implication that more of its customers receive refunds than taxpayers at large and that their personnel are experts or unusually competent. The order further sets up a format to be followed pertaining to the consumers' consent to use information obtained from them.

Petitioners assert that changed conditions of fact and law and the public interest require that certain paragraphs of the order be modified. Specifically, they request that paragraph 1 be modified so that they can use the term "instant tax refund" under certain circumstances, that paragraph 2 be modified to limit the terms that must be disclosed in a guarantee, that paragraphs 5 and 6 be modified to eliminate the absolute prohibitions regarding the percentage of customers who receive refunds and the competency of their personnel, to permit truthful and non-deceptive representations, and that paragraph 7 be modified to conform to the Internal Revenue Code standard for obtaining the consent of the consumer to use information instead of the format provided in the order.

Paragraph 1 of the Order:

Paragraph 1 of the order prohibits use of the term "instant tax refund" or like phrases, unless petitioner discloses that this refund is a "normal" loan with no relationship to the tax refund, and that the taxpayer will be expected to meet the normal qualifications for borrowing. Petitioners state that there has been a change in fact in that they are now able to participate with the Internal Revenue Service in an electronic filing program, in certain market areas, by which the IRS expects to be able to reduce the time for issuing refunds by approximately three weeks. Based on this expectation petitioner arranges with a bank and the taxpayer to have the bank grant the taxpayer and interest free loan in 3 days. There is a charge for this service. The taxpayer agrees to have his refund sent to the bank to repay the loan, and any interest charge by the bank during this period in paid by the petitioner. Petitioner proposes to modify the order so that they can advertise this procedure as an "instant tax refund" without the required disclosures, in those market areas in which they are participating with the IRS in the electronic filing program. The order provision will otherwise stay in effect in areas in which the IRS is not using the program.

When the Commission issued the order it suggested that if petitioner should begin offering a special loan service actually related to the tax refund, it might seek to reopen the order. The Commission agrees with the petitioner that paragraph 1 should be modified to reflect the stated changed factual condition. However, since there is a charge for the service, and in order to regulate the term "instant", respondent has consented to modify paragraph 1 to prohibit any implication that there is no charge, and to limit the time within which the taxpayer will receive his loan money.

Paragraph 2:

Paragraph 2 prohibits "Using any guarantee without clearly and conspicuously disclosing the terms, conditions and limitations in any such guarantee, or misrepresenting in any manner the terms and conditions of any guarantee." Petitioner states that this could be burdensome in attempting to include all details of a guarantee in a 30 second television commercial. When the order was issued the Commission was concerned about the guarantee that petitioners would reimburse the consumers for any interest or penalty charges caused by petitioner's error in the preparation of a tax return but would not pay any additional tax. The Commission wanted this term disclosed

and specifically required it in paragraph 4 of the order. The proposed language would retain the disclosure that petitioner does not pay additional tax in the event of the error but that the consumer should look to the guarantee for all other terms and would read as follows:

Subject to the disclosure required by paragraph 4, herein, using any guarantee without clearly and conspicuously disclosing the fact that any terms, conditions, or limitations are stated in the guarantee; or misrepresenting in any manner the terms and conditions of any guarantee.

The Commission agrees with the petitioner that it is in the public interest to modify paragraph 2 since it is burdensome, and the modified paragraph will retain the main condition that the Commission was concerned about and will advise the consumer to read the guarantee for any other conditions. Such a provision should not be deceptive or misleading.

Paragraph 5:

Paragraph 5 is an absolute prohibition against any representation that the percentage of respondents' customers who receive tax refunds is greater than the percentage of individual taxpayers at large who receive refunds. Petitioners request that the paragraph be modified so that they can make truthful and non-deceptive representations about the percentage of their customers who receive refunds. Accordingly, they request to add a clause stating "... provided however, that nothing herein shall prevent truthful and non-deceptive representations with respect to the average percentage of respondents' customers who receive tax refunds."

The Commission agrees that petitioners should be allowed to make truthful and non-deceptive representations. Any deceptive implication is prohibited, but the absolute prohibition is modified so that a representation that does not cause a deceptive implication may be used.

Paragraph 6:

This paragraph is an absolute prohibition against representations about the competence of respondent's tax preparing personnel. Respondent states that there is a change in fact as to the extent of training which the personnel are required to undergo compared to the training required at the time the order was issued. They also cite the change in law with respect to commercial or professional advertising and cite examples of competitors advertising the terms "expert" or "professional". They request that the paragraph be modified to prohibit: "Misrepresenting, in any manner, the

competence or the ability of respondents' tax preparing personnel."

The Commission agrees that the extent of training which petitioner's personnel are now required to undergo constitutes a change in fact which justifies modification of the absolute prohibition of this paragraph to prohibit only misrepresentations of competence.

Paragraph 7:

Paragraph 7 of the order establishes the format to be followed in obtaining the consent of taxpayers to use information obtained in preparing the tax return. Respondent states that since the order was issued, section 7216 of the Internal Revenue Code establishes a required format. This accomplishes the same purpose and gives the consumer the same protection, but use of both formats becomes overlapping and burdensome. Moreover, respondent cites the fact that the Commission has amended the H&R Block order and the proposed modification is exactly the same language as in the Block order.

The Commission agrees that compliance with the provisions of the Internal Revenue Code will accomplish the same purpose as the existing order and that respondent should not be required to use two formats, and therefore, agrees that this paragraph of the order should be modified.

Section 5(b) of the Federal Trade Commission Act, 15 U.S.C. 45(b) requires that an order be modified or set aside upon a satisfactory showing that changed conditions of law or fact require that the order be altered, modified or set aside. The Commission has concluded that respondent has adequately shown that changed conditions of law and fact require that the order be modified in the manner requested.

It Is Therefore Ordered that the proceeding is hereby reopened and the Decision and Order issued on September 12, 1979, is hereby modified to read as follows:

Order

It Is Ordered, that respondents, Beneficial Corporation and Beneficial Management Corporation, corporations, and their successors and assigns, and their officers, and respondents' agents, representatives and employees, directly or through any corporation, subsidiary, division or other device, in connection with the preparation of income tax returns or the extension of consumer credit in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using the term "Instant Tax Refund" or "Immediate Tax Refund" or like phrases using words of similar import or meaning, unless such phrases are used in connection with an electronic refund program in which the respondents participate in conjunction with the United States Internal Revenue Service; provided, however, that such phrases will not be used if a loan is being offered that has no relationship to the individual's income tax refund, or refers to a "normal", "usual", "standard" or "regular" loan by the respondents, or is a loan with respect to which the prospective borrowers will be expected to meet qualifications to borrow which are "normal", "usual", "standard" or "regular" (or words having the same or equivalent meaning) under the respondents' loan qualification criteria; provided further, however, that each individual will receive the loan money within five days of applying for the loan (respondent will not be responsible for any delay caused by the Postal Service), and that no advertisement relating to any such loan represents directly or by implication, contrary to fact, that there is no service charge for the refund program involving a loan.

2. Subject to the disclosure required by paragraph 4, herein, using any guarantee without clearly and conspicuously disclosing the fact that any terms, conditions, or limitations are stated in the guarantee; or misrepresenting, in any manner, the terms and conditions of any guarantee.

3. Representing, directly or by implication, that respondents will reimburse their customers for any payments the customer may be required to make in addition to his initial tax payment, in instances where such additional payment results from an error by respondents in the preparation of the tax return; provided, however, that it shall be a defense in any enforcement proceeding for respondents to establish that they make such payments.

4. Failing to disclose, clearly and conspicuously, whenever respondents make any representation, directly or by implication, as to their responsibility for, or obligation resulting from, errors attributable to respondents in the preparation of tax returns, that respondents will not reimburse the taxpayer for any deficiency payment which results from said errors, provided, however, that it shall be a defense in any enforcement proceeding for respondents to establish that they make such payments.

5. Representing, directly or by implication, that the percentage of respondents customers who receive tax

refunds is demonstrably greater than the percentage of individual taxpayers at large who receive refunds; or misrepresenting, in any manner, the magnitude or frequency of refunds received by respondents' tax preparation customers; provided, however, that nothing herein shall prevent truthful and non-deceptive representations with respect to the average percentage of respondents' customers who receive tax refunds.

6. Misrepresenting, in any manner, the competence or ability of respondents' tax preparing personnel.

7. Using information concerning any customers of respondents, including the name and/or address of the customer, obtained as a result of the preparation of the customer's tax return for any purpose which is not essential or necessary for the preparation of said tax return, except as specifically authorized by the Internal Revenue Service pursuant to section 7216 of the Internal Revenue Code and the regulations promulgated thereunder or by future amendments thereto.

Issued: November 3, 1986.

By the Commission.

Benjamin L. Berman,

Acting Secretary.

[FR Doc. 86-27112 Filed 12-2-86; 8:45 am]

BILLING CODE 6750-01-M

16 CFR Part 13

[Dkt. C-837]

General Railway Signal Co. et al.; Prohibited Trade Practices and Affirmative Corrective Actions

AGENCY: Federal Trade Commission.

ACTION: Modifying order.

SUMMARY: The Federal Trade Commission has modified a 1964 consent order (29 FR 14071, correction 29 FR 14492) by permitting American Standard Corp., a successor to original respondent Westinghouse Air Brake, to engage in activities necessary to participate in lawful joint ventures. The FTC found that respondent "has adequately demonstrated that evolving technological and economic factors in the railroad signaling equipment and systems industry have created a competitive need for American Standard to participate in joint ventures . . .".

DATES: Consent Order issued Sept. 24, 1964. Modified Order issued Nov. 13, 1986.

FOR FURTHER INFORMATION CONTACT: FTC/L-301, Daniel DuCore, Washington, DC 20580. (202) 634-4642.

SUPPLEMENTARY INFORMATION: In the Matter of General Railway Signal Co., et al. The prohibited trade practices and/or corrective actions, as set forth at 29 FR 14071, remain unchanged.

List of Subjects in 16 CFR Part 13

Railroad signaling equipment, Trade practices.

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; sec. 2, 49 Stat. 1528; 15 U.S.C. 45, 13)

Order Modifying Consent Order Issued September 24, 1964

[Docket No. C-837]

Commissioners: Daniel Oliver, Chairman; Patricia P. Bailey; Terry Calvani; Mary L. Azcuenaga; Andrew J. Strenio, Jr.

In the Matter of General Railway Signal Co., et al.

On April 8, 1986, American Standard Inc. ("American Standard"), successor to respondent Westinghouse Air Brake Co. ("WABCO"), filed a "Request To Reopen Proceeding and Terminate Order" ("Request"), pursuant to section 5(b) of the Federal Trade Commission Act, 15 U.S.C. 45(b), and § 2.51 of the Commission's Rules of Practice. The Request asks the Commission to reopen the proceeding and vacate the consent order issued September 24, 1964, ("Order") in its entirety. In the alternative, the Request asks the Commission to modify the Order "to permit conduct that is otherwise permissible under the antitrust laws, including conduct that is reasonably ancillary to the formation or operation of lawful joint ventures, exempt from application of the antitrust laws, or beyond the subject matter jurisdiction of the FTC."

After reviewing the Request and other relevant information, the Commission has concluded that it is in the public interest to modify the Order to permit American Standard to engage in conduct that is ancillary to and reasonably necessary for the formation or operation of any joint venture that is lawful under the antitrust laws. American Standard has adequately demonstrated that evolving technological and economic factors in the railroad signaling equipment and systems industry have created a competitive need for American Standard to participate in joint ventures to research, develop and produce integrated railroad systems and to bid for "turnkey" railroad projects. The Order's present language, designed to restrain conduct that might facilitate collusive agreements, could be interpreted to prohibit otherwise lawful joint venture activity. It is in the public