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(e) This amendment becomes effective on June 26, 1996.

Issued in Renton, Washington, on May 14, 1996.

S.R. Miller,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.
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FEDERAL TRADE COMMISSION

16 CFR Part 405

Trade Regulation Rule on Misbranding and Deception as to Leather Content of Waist Belts

AGENCY: Federal Trade Commission.

ACTION: Final rule.

SUMMARY: The Federal Trade Commission announces the removal of the Trade Regulation Rule concerning Misbranding and Deception as to Leather Content of Waist Belts (Leather Belt Rule or Rule), 16 CFR Part 405. The Commission has reviewed the rulemaking record and determined that the Leather Belt Rule is no longer necessary. The proposed Guides for Select Leather and Imitation Leather Products will cover belts and the benefits of the Rule are retained through the inclusion of belts in the proposed Guides. Repealing the Leather Belt Rule eliminates unnecessary duplication. Further, if necessary, the Commission can address misrepresentations involving leather belts on a case-by-case basis, administratively under Section 5 of the Federal Trade Commission Act (FTC Act), 15 U.S.C. 45, or through enforcement actions under Section 13(b), 15 U.S.C. 53(b), in federal district court. Such actions can provide additional guidance to industry members on what practices are unfair or deceptive.

EFFECTIVE DATE: May 22, 1996.

ADDRESSES: Requests for copies of the Statement of Basis and Purpose should be sent to the FTC's Public Reference Branch, Room 130, 6th Street and Pennsylvania Avenue, N.W., Washington, D.C. 20580; (202) 326-2222; TTY for the hearing impaired (202) 326-2502.

FOR FURTHER INFORMATION CONTACT: Lemuel Dowdy or Edwin Rodriguez, Attorneys, Federal Trade Commission,

Division of Enforcement, Bureau of Consumer Protection, Sixth Street and Pennsylvania Avenue, NW, Washington, DC 20580, (202) 326-2981 or (202) 326-3147.

SUPPLEMENTARY INFORMATION:

Statement of Basis and Purpose

I. Background

The Trade Regulation Rule concerning Misbranding and Deception as to Leather Content of Waist Belts, 16 CFR Part 405, was promulgated on June 27, 1964, to remedy deceptive practices involving misrepresentations about the leather content of waist belts that are not offered for sale as part of a garment. The Rule prohibits representations that belts are made from the hide or skin of an animal when such is not the case, or that belts are made of a specified animal hide or skin when such is not the case. In addition, the Rule requires that belts made of split leather, and ground, pulverized or shredded leather bear a label or tag disclosing the kind of leather of which the belt is composed. The Rule also requires that non-leather belts having the appearance of leather bear a tag or label disclosing their composition or disclosing that they are not leather.

As part of its continuing review of its trade regulation rules to determine their current effectiveness and impact, the Commission published a Federal Register notice on March 27, 1995, 60 FR 15725, asking questions about the benefits and burdens of the Rule to consumers and industry. On the same date, the Commission published a Federal Register notice, 60 FR 15724, soliciting comment on its Industry Guides for luggage, shoes, and ladies' handbags.¹ After reviewing the comments received in response to these two notices, on September 18, 1995, the Commission published an Advance Notice of Proposed Rulemaking (ANPR) seeking comment on its proposal to repeal the Leather Belt Rule, 60 FR 48070. On the same day, the Commission published two other notices, one announcing the rescission of the three separate guides for luggage, shoes, and handbags, 60 FR 48027, and the second seeking comment on one set of proposed, consolidated guidelines, entitled the Guides for Select Leather and Imitation Leather Products, 60 FR 48056. The ANPR proposing the repeal of the Rule stated that, because the proposed Guides would cover belts, the

¹ See Guides for the Luggage and Related Products Industry, 16 CFR Part 24; Guides for Shoe Content Labeling and Advertising, 16 CFR Part 231; and Guides for the Ladies' Handbag Industry, 16 CFR Part 247.

Commission had tentatively determined that a separate Leather Belt Rule was no longer necessary.

The Commission received two comments in response to the ANPR.² One of these comments supported retention of the existing Leather Belt Rule because the commenter believed that rescission of the Rule may decrease the accuracy of the labeling of waist belts.³ The other comment supported consolidating the Rule into one set of guidelines governing disclosures of the content of leather products.⁴

After reviewing the comments submitted, on March 5, 1996, the Commission published a Notice of Proposed Rulemaking (NPR), 61 FR 8499, initiating a rulemaking proceeding to consider whether the Leather Belt Rule should be repealed or remain in effect. The Commission stated it would hold a public hearing for the presentation of testimony, if there was interest. No one requested that the Commission hold a hearing. In response to the NPR, the Commission received one comment, which expressed no objection to the repeal of the Leather Belt Rule.⁵

II. Basis for Repeal of Rule

The Commission has decided to repeal the Leather Belt Rule for the reasons discussed in the NPR. In sum, the Commission has determined that the benefits of the Rule are retained through the inclusion of belts in the proposed Guides for Select Leather and Imitation Leather Products. While repealing the Rule would eliminate the Commission's ability to obtain civil penalties for any future misrepresentations of the leather content of belts, the Commission has determined that this action would not seriously jeopardize the Commission's ability to act effectively to prevent the mislabeling of leather belts. Any significant problems that might arise could be addressed on a case-by-case basis, administratively under Section 5 of the FTC Act, 15 U.S.C. 45, or through enforcement actions under Section 13(b), 15 U.S.C. 53(b), in federal district court. Prosecuting serious or knowing misrepresentations in district court allows the Commission to seek injunctive relief as well as equitable

² The comments were submitted by Larry E. Gundersen (1), a consumer, and Humphreys Inc. (2), a manufacturer of leather belts.

³ Gundersen (1).

⁴ Humphreys Inc. (2).

⁵ This comment was submitted by Luggage and Leather Goods Manufacturers of America, Inc. (LLGMA). The comment also expressed no objection to the inclusion of belts in the Guides for Select Leather and Imitation Leather Products and stated that LLGMA would publish the Guides in its magazine when they are adopted.

remedies, such as redress or disgorgement. Any necessary administrative or district court actions would also serve to provide industry members with additional guidance about what practices are unfair or deceptive.

In addition, the Commission has concluded that including belts in the proposed Guides and eliminating the Rule reduces duplication and streamlines the regulatory scheme, thereby responding to President Clinton's National Regulatory Reinvention Initiative, which, among other things, urges agencies to eliminate obsolete or unnecessary regulations. Accordingly, the Commission has determined that a separate Leather Belt Rule is not necessary and hereby announces the repeal of the Rule.

III. Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA), 5 U.S.C. 601-11, requires an analysis of the anticipated impact of the repeal of the Rule on small businesses. The reasons for repeal of the Rule have been explained in this Notice. Repeal of the Rule would appear to have little or no effect on small business. The Commission did not receive any information in response to the ANPR and NPR that supports a different conclusion. Moreover, the commission is not aware of any existing federal laws and regulations that would conflict with repeal of the Rule. For these reasons, the Commission certifies, pursuant to Section 605 of the RFA, 5 U.S.C. 605, that this action will not have a significant economic impact on a substantial number of small entities.

IV. Paperwork Reduction Act

The Leather Belt Rule imposes third-party disclosure requirements that constitute "information collection requirements" under the Paperwork Reduction Act, 44 U.S.C. 3501 et seq. Accordingly, repeal of the Rule would eliminate any burdens on the public imposed by these disclosure requirements.

List of Subjects in 16 CFR Part 405

Advertising, Clothing, Labeling, Leather and leather products industry, Trade practices.

PART 405—[REMOVED]

The Commission, under authority of Section 18 of the Federal Trade Commission Act, 15 U.S.C. 57a, amends chapter 1 of title 16 of the Code of Federal Regulations by removing Part 405.

Authority: 15 U.S.C. 41-58.

By direction of the Commission.
Donald S. Clark,
Secretary.
[FR Doc. 96-12817 Filed 5-21-96; 8:45 am]
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DEPARTMENT OF DEFENSE

Defense Finance and Accounting Service

32 CFR Part 324

[DFAS Reg. 5400.11-R]

DFAS Privacy Act Program

AGENCY: Defense Finance and Accounting Service, DOD.

ACTION: Final rule.

SUMMARY: This rule establishes the Defense Finance and Accounting Service Privacy Act Program. The Defense Finance and Accounting Service (DFAS) was established to provide finance and accounting services for the DoD Components and other Federal activities, as designated by the Comptroller, DoD.

The Defense Finance and Accounting Service was activated on January 15, 1991, to improve the overall effectiveness of DoD financial management through the consolidation, standardization and integration of finance and accounting systems, procedures and operations. DFAS is also responsible for identifying and implementing finance and accounting requirements, systems and functions for appropriated and non-appropriated funds, as well as working capital, revolving funds and trust fund activities--including security assistance.

EFFECTIVE DATE: May 1, 1996.

FOR FURTHER INFORMATION CONTACT: Ms. Genevieve Turney (703) 607-5165 or DSN 327-5165.

SUPPLEMENTARY INFORMATION: Executive Order 12866. The Director, Administration and Management, Office of the Secretary of Defense has determined that this Privacy Act rule for the Department of Defense does not constitute 'significant regulatory action'. Analysis of the rule indicates that it does not have an annual effect on the economy of \$100 million or more; does not create a serious inconsistency or otherwise interfere with an action taken or planned by another agency; does not materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; does not raise novel legal or policy issues arising out of legal mandates, the President's priorities, or

the principles set forth in Executive Order 12866 (1993).

Regulatory Flexibility Act of 1980. The Director, Administration and Management, Office of the Secretary of Defense certifies that this Privacy Act rule for the Department of Defense does not have significant economic impact on a substantial number of small entities because it is concerned only with the administration of Privacy Act systems of records within the Department of Defense.

Paperwork Reduction Act. The Director, Administration and Management, Office of the Secretary of Defense certifies that this Privacy Act rule for the Department of Defense imposes no information requirements beyond the Department of Defense and that the information collected within the Department of Defense is necessary and consistent with 5 U.S.C. 552a, known as the Privacy Act of 1974.

This rule establishes the Defense Finance and Accounting Service (DFAS) Privacy Act Program. DFAS was established to provide finance and accounting services for the DoD Components and other Federal activities, as designated by the Comptroller, DoD. The proposed rule was previously published on March 1, 1996, at 61 FR 8003. No comments were received resulting in any contrary determinations, therefore, DFAS is adopting the rule as published.

List of subjects in 32 CFR part 324

Privacy.

Accordingly, 32 CFR part 324 is added to read as follows:

PART 324—DFAS PRIVACY ACT PROGRAM

Subpart A—General Information

- 324.1 Issuance and purpose.
- 324.2 Applicability and scope.
- 324.3 Policy.
- 324.4 Responsibilities.

Subpart B—Systems of Records

- 324.5 General information.
- 324.6 Procedural rules.
- 324.7 Exemption rules.

Subpart C—Individual Access to Records

- 324.8 Right of access.
- 324.9 Notification of record's existence.
- 324.10 Individual requests for access.
- 324.11 Denials.
- 324.12 Granting individual access to records
- 324.13 Access to medical and psychological records.
- 324.14 Relationship between the Privacy Act and the Freedom of Information Act.

Appendix A to part 324 – DFAS Reporting Requirements