

acquire or control voting securities or assets of a company, including the companies listed below, that engages either directly or through a subsidiary or other company, in a nonbanking activity that is listed in § 225.28 of Regulation Y (12 CFR 225.28) or that the Board has determined by Order to be closely related to banking and permissible for bank holding companies. Unless otherwise noted, these activities will be conducted throughout the United States.

Each notice is available for inspection at the Federal Reserve Bank indicated. The notice also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the question whether the proposal complies with the standards of section 4 of the BHC Act.

Unless otherwise noted, comments regarding the applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than July 21, 1999.

**A. Federal Reserve Bank of Richmond** (A. Linwood Gill III, Assistant Vice President) 701 East Byrd Street, Richmond, Virginia 23261-4528:

1. *FNB Financial Services Corporation*, Reidsville, North Carolina; to acquire Black Diamond Savings Bank, FSB, Norton, Virginia, and thereby engage in operating a savings association, pursuant to § 225.28(b)(4)(ii) of Regulation Y. Comments regarding this application must be received not later than July 30, 1999.

**B. Federal Reserve Bank of San Francisco** (Maria Villanueva, Manager of Analytical Support, Consumer Regulation Group) 101 Market Street, San Francisco, California 94105-1579:

1. *Wells Fargo & Company*, San Francisco, California; Norwest Mortgage, Inc., Des Moines, Iowa, and Southwest Partners, Inc., Des Moines, Iowa; to engage *de novo* through a joint venture subsidiary, United Mortgage Group, San Diego, California, in extending credit and servicing loans, pursuant to § 225.28(b)(1) of Regulation Y.

Board of Governors of the Federal Reserve System, July 1, 1999.

**Robert deV. Frierson,**

*Associate Secretary of the Board.*

[FR Doc. 99-17271 Filed 7-7-99; 8:45 am]

BILLING CODE 6210-01-F

## FEDERAL RESERVE SYSTEM

### Notice of Proposals to Engage in Permissible Nonbanking Activities or to Acquire Companies that are Engaged in Permissible Nonbanking Activities

The companies listed in this notice have given notice under section 4 of the Bank Holding Company Act (12 U.S.C. 1843) (BHC Act) and Regulation Y, (12 CFR Part 225) to engage *de novo*, or to acquire or control voting securities or assets of a company, including the companies listed below, that engages either directly or through a subsidiary or other company, in a nonbanking activity that is listed in § 225.28 of Regulation Y (12 CFR 225.28) or that the Board has determined by Order to be closely related to banking and permissible for bank holding companies. Unless otherwise noted, these activities will be conducted throughout the United States.

Each notice is available for inspection at the Federal Reserve Bank indicated. The notice also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the question whether the proposal complies with the standards of section 4 of the BHC Act.

Unless otherwise noted, comments regarding the applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than July 22, 1999.

**A. Federal Reserve Bank of Chicago** (Philip Jackson, Applications Officer) 230 South LaSalle Street, Chicago, Illinois 60690-1413:

1. *Old Kent Financial Corporation*, Grand Rapids, Michigan; to engage *de novo* through its subsidiary, Old Kent Securities Corporation, Grand Rapids, Michigan, in acting as investment or financial advisor, pursuant to § 225.28(b)(6) of Regulation Y; providing securities brokerage services, "riskless principal," and private placement services, pursuant to § 225.28(b)(7)(i), (ii) and (iii) of Regulation Y; underwriting and dealing in obligations that state member banks of the Federal Reserve System are authorized to underwrite and deal in under 12 U.S.C. 24 and 335 ("bank-eligible securities"), and engaging in investing and trading activities, pursuant to §§ 225.28(b)(8)(i) and (ii) of Regulation Y; underwriting and dealing to a limited extent in all types of debt and equity securities other than shares of open-end investment companies (mutual funds); See, *J.P. Morgan & Co. Incorporated et al.*, 75 Fed. Res. Bull. 192 (1989); and providing administrative and other

shareholder services to mutual funds; see, *Mellon Bank Corporation*, 79 Fed. Res. Bull. 626 (1993); *State Street Boston Corporation*, 81 Fed. Res. Bull. 297 (1995); *Barclays PLC*, 82 Fed. Res. Bull. 158 (1996); *The Governor and Company of the Bank of Ireland*, 82 Fed. Res. Bull. 1129 (1996).

**B. Federal Reserve Bank of San Francisco** (Maria Villanueva, Manager of Analytical Support, Consumer Regulation Group) 101 Market Street, San Francisco, California 94105-1579:

1. *Wells Fargo & Company*, San Francisco, California; Norwest Mortgage, Inc., Des Moines, Iowa, and Southwest Partners, San Diego, California; to engage *de novo* through a joint venture subsidiary, Gold Coast Mortgage, San Diego, California, in residential mortgage lending, pursuant to § 225.28(b)(1) of Regulation Y.

Board of Governors of the Federal Reserve System, July 2, 1999.

**Robert deV. Frierson,**

*Associate Secretary of the Board.*

[FR Doc. 99-17336 Filed 7-7-99; 8:45 am]

BILLING CODE 6210-01-F

## FEDERAL TRADE COMMISSION

### Submission for OMB Review; Comment Request

**AGENCY:** Federal Trade Commission.

**ACTION:** Notice.

**SUMMARY:** The FTC has submitted the information collection requirements contained in five Commission rules and one administrative category to OMB for review and clearance under the Paperwork Reduction Act (44 USC 3501 *et seq.*) (PRA). On January 8, 1999, the FTC solicited comment concerning these information collection requirements, providing the information specified in 5 CFR 1320.5(a)(iv). 64 FR 1203. The FTC received no comments. The current OMB clearances for four of the five rules and the one administrative category expire on September 30, 1999. The current OMB clearance for the HSR Form and Rules expires on August 31, 1999. The FTC has requested that OMB extend these paperwork clearances for a period of three years.

**DATES:** Comments must be filed on or before August 9, 1999.

**ADDRESSES:** Send comments to the Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 3228, Washington, DC 20503, ATTN: Desk Officer for the Federal Trade Commission, and to Elaine W. Crockett, Attorney, Office of the General

Counsel, Room 598, 600 Pennsylvania Avenue, NW 20580. Telephone: (202) 326-2453. Fax: (202) 326-2477. E-mail: [ecrockett@ftc.gov](mailto:ecrockett@ftc.gov).

**FOR FURTHER INFORMATION CONTACT:** Requests for additional information or copies of the proposed extensions of the information requirements should be addressed to Elaine W. Crockett at the address listed above.

**SUPPLEMENTARY INFORMATION:**

**1. Title: FTC Hart-Scott-Rodino ("Permerger Notification") Rules and form, 16 CFR Parts 801-803—(OMB Control Number 3084-0005)—Extension**

The Antitrust Improvements Act Notification and Report Form ("Report Form" or "Form") implements the notification requirements contained in the Premerger Notification Rules, 16 CFR 801-803 (1998) and Section 7A of the Clayton Act, 15 USC 18a. Under the Act and its associated rules, certain parties contemplating acquisitions of a specified size must notify the FTC and the Antitrust Division of the Department of Justice ("the enforcement agencies") and wait for 30 days (or, in the case of cash tender offer, 15 days) before consummating the transaction. The FTC has established the Report Form as the means for accomplishing the notification mandated by the Act. The Report Form provides the enforcement agencies with the information needed to make prompt, preliminary determinations of the antitrust implications of the reported transactions.

On June 14, 1994, the FTC published a **Federal Register** Notice in which it proposed certain changes to the Report Form. 59 FR 30545. At that time, the FTC requested comments on any paperwork burdens imposed by those changes. *Id.* at 30588. Based on comments received in response to the Notice, as well as other input from interested parties, the enforcement agencies are continuing their review of the Report Form. Any future proposal to change the Form as a result of this review will include a request for comments on any paperwork burdens imposed by the proposal.

This request is for an extension of the Rules and the Form as they currently exist. This notice proposes no amendments or changes to the Rules or the Form, nor does it address any of the changes proposed in 1994. The purpose of this notice is simply to comply with those PRA requirements that will allow the Report Form to be used in its current format pending any amendments to the Rules or Form.

**Estimated Annual Burden Hours**

The total estimated burden associated with completing and filing the Form is 260,443 hours (based on fiscal year 1997 figures). We have estimated that, depending on a number of different factors, it takes anywhere from 8 to 160 hours to complete and file the Form.<sup>1</sup> The average, based on historical experience, is approximately 39 hours. In certain circumstances, only an index or copies of filings made with another regulatory agency are required to be submitted to the FTC in lieu of the Form ("index filing"). We have estimated that 2 hours is needed to comply with the filing requirements in these instances. The enforcement agencies received notice of 3622 transactions in 1997, of which 59 were reported to other regulatory agencies. Thus the total 1997 burden was (3517 transactions × 39 hours) + (59 transactions × 2 hours), or 260,443 hours. The increase from the 1994 estimated burden of 107,985 hours (when last calculated for OMB clearance) is solely a function of the increase in filing since 1994. Although the number of reported transactions totaled 3,622 in 1997, because of variations in the number of filings received for these transactions is approximately 6,734.<sup>2</sup>

<sup>1</sup> These factors include the extent of the filing person's United States operations; the number of different industries in which the filing person is engaged; the firm's prior experience and familiarity with the premerger notification program; the existence of horizontal overlays or vertical relationships in the businesses in which the parties to the transaction derive revenue, and the organizational structure and recordkeeping system of the reporting entities.

<sup>2</sup> For example, of the 3622 transactions reported, 164 were joint ventures, (c)(6) transactions or (c)(8) transactions; only one filing is required for each transaction. If the remaining 3458, approximately 80 percent, or 2766, require two filings per transaction: one each from the acquiring person and the acquired person. The other 20 percent (692) represent certain transactions for which the consideration given is voting stock. A typical example of these transactions is the acquisition of company B's voting stock by company A. As payment for the B stock, A will give the B shareholders certain shares of company A stock. A shareholder of B will acquire an amount of company A stock that will require the B shareholder to submit a separate filing as an acquiring person. For HSR purposes, the company A/company B filings make up transactions, and the B shareholder/company A filings comprise a second transaction. However, company A generally needs to submit only one filing for the two transactions. Therefore the two transactions require three filings, computed as 1.5 filings per transaction. (The 1.5 figure is a slight overestimation, since in some cases more than one shareholder of company B has a filing obligation as an acquiring person. Each shareholder's notification is treated as a separate transactions, and company A's filing as an acquiring person serves as the acquired party's filing for each of the shareholder transactions. Thus, for example, four transactions—a primary transaction with three related shareholder transactions—may have a total of only five filings.)

**Estimated Labor Costs**

Using the burden hours estimated above, the total cost associated with the Rule and Form would be approximately \$78,132,000 (260,443 hours × \$300 hour). To verify this cost estimate, staff conducted an informal survey of actual billings by several antitrust practitioners for preparation of the Form.<sup>3</sup> These estimates, based on the type and complexity of each filing<sup>4</sup> closely approximated our estimate, based on burden hours. This information is summarized below. Only the first category, the index filing, has been terminated on an hourly fee basis. The remaining figures are calculated on the following basis:

6734 filings minus 59 index filings = 6675  
 Index filing: 59 × \$600 (2 hours @ \$3.00/hr) + \$35400  
 Simple filings ([35% × 6675] × \$2000) + 4,672,000  
 Moderately complex filings ([60% × 6675] × \$15,000) = 60,075,000  
 Very complex filings ([5% × 6675] × \$50,000) = 16,700,000  
 Total = \$81,482,400

This estimate is comparable to, although slightly higher than, our estimate of \$78,132,000. We conservatively have adopted the \$81,482,400 estimate as the total annual labor cost.

**Estimated Capital or Other Non-Labor Costs**

The Rule imposes no current start-up costs and minimal capital costs. The rule first took effect in 1979, so law firms and companies already have incurred any necessary start-up costs associated with filing the Form. Moreover, law firms already have access, for other business purposes, to the ordinary office equipment needed for compliance, and the Rule has no consequential effect on the cost of operating and maintaining that equipment.

<sup>3</sup> The \$45,000 Hart-Scott-Rodino filing fee is not included in these cost estimates because the fee does not fall within either of the two cost categories defined by OMB: (1) Total hour burden and annualized costs of hour burden (labor), and (2) non-labor costs, consisting of total capital and start-up costs and total operation and maintenance costs. See OMB Instructions for Completing OMB Form 83-I.

<sup>4</sup> The survey was based on number of filings because each side to transaction is represented by a different law firm. Therefore, practitioners do not have cost information relating to an entire transaction.

**2. Title—Negative Option Plans by Sellers in Commerce (“Negative Option Rule”) 16 CFR Part 425—(OMB Control Number 3084-0104)—Extension**

The Negative Option Rule protects consumers who participate in negative option plus (e.g., record or book “clubs”), contractual arrangements whereby a seller periodically ships merchandise to subscribers without an affirmative order by the subscriber. The Rule requires sellers to send an advance notice to subscribers describing merchandise offered for sale. The subscriber may instruct the seller, in accordance with the terms of the plan, to refrain from shipping the merchandise. The Rule also requires that promotional materials disclose the terms of membership clearly and conspicuously, and establish procedures for the administration of such “negative option” plans.

***Estimated Annual Burden Hours***

The Rule’s estimated annual burden is approximately 14,375 hours per day. We estimate that approximately 175 existing clubs spend about 75 hours each to comply with the Rule’s disclosure requirements, for a total of 13,125 per year (175 clubs × 75 hours).

We have revised the number of hours from 125 to 75 hours per year for each existing club to comply with the information collection requirements contained in the Rule. These clubs should be familiar with the Rule, which has been in effect since 1974, so their “burden” of compliance has diminished over the years. Also, comments provided to the FTC indicate that a substantial portion of the existing clubs likely would not make these disclosures absent any regulatory requirement because the Rule has assisted in fostering long-term relationships with consumers.

In addition, approximately 10 new clubs come into existence each year. These clubs spend about 125 hours complying with the Rule, making the total hours that new clubs spend per year 1,250 (10 new clubs × 125 hours). For new clubs, we have retained the estimate of approximately 125 hours to comply with the rule (including start up-time). The total of 14,375 hours per year for both existing and new clubs is a reduction from 15,000 burden hours that the FTC estimated in 1995.

***Estimated Labor Costs***

Total labor costs are approximately \$367,697 per year. According to the Bureau of Labor Statistics, the average compensation for advertising managers is \$27.88 per hour. Compensation for

clerical personnel is approximately \$10.00 per hours. Assuming that managers perform the bulk of the work, while electric personnel perform some associated tasks, such as placing advertisements and responding to inquiries about offering or prices, the total cost to the industry for the Rule’s paperwork requirements would be approximately \$367,497 (65 hours managerial time × 175 existing negative option plans × \$27.88 per hour = \$317,135) plus (10 hours clerical time × 175 existing negative option plans × \$10.00 per hour = \$17,500) plus (115 hours managerial time × 10 new negative option plans × \$27.88 per hour = \$32,062) plus (10 hour clerical time × 10 new negative option plans × \$10.00 = \$1,000).

***Estimated Capital or Other Non-Labor Costs***

Because the Rule has been in effect since 1974, the vast majority of the negative option clubs have no current start-up costs. For the few new clubs that enter the market each year, the capital and start-up costs. For the few new clubs that enter the market each year, the capital and start-up costs associated with the Rule’s disclosure requirements, beyond the additional labor costs discussed above, are *de minimis*. Negative option clubs already have access to the ordinary office equipment necessary for compliance with the Rule.

Similarly, the Rule imposes few, if any, printing and distribution costs. the required disclosures generally constitute only a small addition to the materials that a prospective subscriber sends to the seller to solicit enrollment in a negative option plan. Because printing and distribution costs are incurred anyway to market the product, inserting the required disclosures constitutes only a *de minimis* incremental expense.

**3. Title: Power Output Claims for Amplifiers Utilized in Home Entertainment Products, 16 CFR part 432—(OMB Control Number 4084-0105)—Extension**

The Amplifier Rule assists consumers by requiring disclosure of four performance characteristics whenever representations are made concerning power output, power band or power frequency, and distortion characteristics of home audio equipment. The Rule also specifies the test conditions to be used to obtain the FTC disclosures.

***Estimated Burden Hours***

The annual burden is approximately 1,500 hours. the Rule’s provisions require affected entities to test the

power output of amplifiers in accordance with specified FTC protocol. Approximately 300 new amplifiers and receivers come on the market each year. Since high fidelity manufacturers routinely conduct performance tests as part of any new product development, the Rule imposes incremental costs only to the extent that the FTC protocol is more time-consuming than alternative testing procedures. Specifically, a warm up (“precondition”) period that the Rule requires before measurements are taken may add approximately one hour to the time testing entails. Thus, we estimate that the Rule imposes approximately 300 hours (1 hour × 300 new products) of added testing burden annually.

The Rule requires disclosures if an advertisement makes a power output claim. Assuming that ten advertisements per magazine are placed each month in ten existing magazines carrying audio equipment advertisements, we estimate that approximately 1,200 magazine advertisements annually would be required to carry the FTC disclosures. The cost of these disclosures is limited to the time needed to draft and review the language pertaining to power output specifications.

Because this Rule became effective in 1974, and because members of the industry are familiar with its requirements, compliance is less burdensome today. Accordingly, we estimate the time involved for this task to be a maximum of 1 hour per advertisement, for a total burden of 1,200 hours. The total annual burden imposed by the Rule is therefore approximately 1,500 burden hours. (300 testing hours + 1,200 disclosure hours). This is a reduction from 2,700 burden hours estimated in 1995.

***Estimated Labor Costs***

According to staff at the Bureau of Labor Statistics, the average hourly compensation for electronics engineers in the industry is \$28.73, and the average hourly compensation for marketing, advertising and public relations managers is \$27.88. Generally, electronics engineers perform the testing of amplifiers and receivers (300 hours × \$28.73 = \$8,619.00), and marketing, advertising or public relations managers prepare advertisements (including required disclosures) (1,200 hours × \$27.88 = \$33,456.00). Based on this information, we estimate the cost to the industry for the Rule’s paperwork requirements to be \$42,075.00 per year (\$33,456.00 + \$8,619.00).

#### *Estimated Capital or Other Non-Labor Costs*

The Rule imposes no capital or other non labor costs because its requirements are incidental to testing and advertising done in the ordinary course of business.

#### **4. Title: Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures ("Franchise Rule"), 16 CFR Part 436—(OMB Control Number 3084-0107)—Extension**

The Franchise Rule requires franchisors and franchise brokers to furnish to prospective investors a disclosure document that provides information relating to the franchisor, the franchisor's business, and the nature of the proposed franchise relationship, as well as additional information about any claims concerning actual or potential sales, income, or profits for a prospective franchisee ("earnings claims"). Franchisors must also preserve the information that forms a reasonable basis for such claims. The Rule is designed to help protect potential investors from fraudulent claims.

#### *Estimated Annual Burden Hours*

The current public disclosure and recordkeeping burden for collections of information contained in the Rule is 36,200 hours. This figure may change depending upon Commission action on the Advance Notice of Proposed Rulemaking ("ANPR") in the **Federal Register**, announcing the Commission's intention to consider amending the Rule. See 62 Fed. Reg. 9115 (February 28, 1997).

A review of the trade publications and information from state regulatory authorities shows that approximately 5,000 American franchise systems, consisting of 2,500 business format franchises and 2,500 business opportunity sellers, currently exist.<sup>5</sup> We have calculated burden based on this estimate, although some of these franchisors, for a variety of reasons, are not covered by the Rule in certain situations (e.g., when a franchisee buys bona fide inventory but pays no franchisor fees).

#### *Estimated Annual Costs*

##### *Labor Costs*

The Rule's required disclosure document provides franchisees with information on twenty broad-ranging subjects that affect the franchisors, the

franchisors's business, and the nature of the proposed franchise relationship. This includes not only generally available information, such as the official name and address and principal place of business of the franchisor, but also less commonly available information such as, among other things, the previous 5 years business experience of each of the franchisors's current directors and executive officers and whether any of these individuals has been convicted of a felony or embezzlement, or has filed in bankruptcy or been adjudged bankrupt during the previous 7 years. All information in the disclosure statement must be updated and revised according to the express time requirements set forth in the Rule.

An attorney likely would prepare or update this disclosure document. Accordingly, we estimate the attorney-related labor costs of complying with the Rule's requirements as follows: 500 new franchisors each incur attorney's fees of approximately \$250 per hour for 30 hours to develop the disclosure document, and 4,500 current franchisors each incur attorney's fees of approximately \$250 per hour of 3 hours to update the disclosure document, for a total burden of 28,500 hours and a total cost of \$7,125,000.

##### *Printing the Disclosure Document*

To comply specifically with the Rule, franchisors must incur costs to print and distribute the disclosure document. These costs vary based upon the length of the disclosures and the number of copies produced to meet the expected demand. We estimate, however, that 2,500 business format and product franchisors print and mail 100 disclosure documents per year at a cost of \$35.00 per document. Further, we estimate that another 2,500 business opportunity sellers print and mail 100 documents per year at a cost of \$15.00 per document, for a total cost of \$12,500,000.

##### *Cover Sheet*

The franchisor also must provide and disseminate an FTC cover sheet that identifies the franchisor, the date the document is issued, a table of contents, and a notice that tracks the language specifically provided in the Rule. Some of the language in the cover sheet is supplied by the government for the purpose of disclosure to the public, and is thus excluded from the definition of "collection of information" under the PRA. 5 CFR 1320.3(c)(2). Nonetheless, franchisors must spend some time in providing the rest of the required information. Further, there are

reproduction and mailing costs. Accordingly, we estimate that 5,000 franchisors complete and disseminate 100 cover sheets per year at a cost of approximately \$.55 per cover sheet, or a total cost of approximately \$277,000.

##### *Recordkeeping Costs*

The franchisor may require additional recordkeeping of information pertaining to the sale of franchise in non-registration states. At most, franchisors would spend an additional hour each year at a cost of \$10 per hour to save material to show potential franchisees. This would result in a total of 5,000 hours per year for all affected entities at a total cost of \$50,000.

#### *Estimate of Capital and Other Non-Labor Costs*

There are no significant current capital or other non-labor costs associated with this Rule.

#### **5. Title: Labeling and Advertising of Home Insulation ("R-Value Rule"), 16 CFR Part 460—(OMB Control Number 3084-0109)—Extension**

The R-Value Rule establishes uniform standards for the substantiation and disclosure of accurate, material product information about the thermal performance characteristics of home insulation products. The R-value of an insulation signifies the insulation's degree of resistance to the flow of heat. This information tells consumers how well a product is likely to perform as an insulator and allows consumers to determine whether the cost of the insulation is justified.

#### *Estimated Annual Burden Hours*

The Rule's requirements include product testing, recordkeeping, and third-party disclosure's on labels, fact sheets, advertisements and other promotional materials. These requirements apply to certain manufacturers and their testing laboratories; home insulation installers; new home sellers who make energy savings claims; and retailers who sell home insulation for do-it-yourself installation by consumers.

Based on information provided by members of the insulation industry, staff estimate that the Rule affects: (1) 150 insulation manufacturers and their testing laboratories; (2) 1,500 installers who sell home insulation; (3) 130,000 new home builders/sellers of site-built home and approximately 7,000 dealers who sell manufactured housing; and (4) 25,000 retail sellers who sell home insulation for installation by consumers.

**Manufacturers and Testing Laboratories:** Under the Rule's testing

<sup>5</sup> These figures have been revised since the notice published January 8, 1999, requesting an OMB extension of this Rule. See 64 FR 1203. The new figures reflect calculations more recently prepared by staff.

requirements, manufacturers must test each insulation product for its R-value. The test takes approximately 2 hours. Approximately 15 of the 150 insulation manufacturers in existence introduce one new product each year. The total annual testing burden is therefore approximately 30 hours (15 manufacturers  $\times$  2 hours per test).

As for third-party disclosure requirements in advertising and other promotional materials, staff estimate that most manufacturers spend an average of approximately 20 hours per year to comply with this requirement. Only the five or six largest manufacturers require additional time (approximately 80 hours each). Thus, the annual third-party disclosure burden for manufacturers is approximately 3,360 hours (144 manufacturers  $\times$  20 hours + 6 manufacturers  $\times$  80 hours).

While the Rule imposes recordkeeping requirements, most manufacturers and their testing laboratories keep these records of testing in the ordinary course of business. Staff estimate that no more than one additional hour per year per manufacturer is necessary to comply with this requirement, for an annual recordkeeping burden of approximately 150 hours (150 manufacturers  $\times$  1 hour).

**Installers:** Installers are required to show the manufacturers' insulation fact sheet to retail consumers prior to purchase. Installers must also disclose information in contracts or receipts concerning the R-value and the amount of insulation to be installed. Staff estimate that two minutes per sales transaction is sufficient for complying with these requirements. Approximately 835,000 retrofit insulations are installed by approximately 1,500 installers per year, and therefore, the annual burden is approximately 27,833 hours (835,000 sales transactions  $\times$  2 minutes). Staff also estimate that one hour per installer is sufficient for including required disclosures in advertisements and other promotional materials. The burden for this requirement is approximately 1,500 hours per year (1,500 installers  $\times$  1 hour).

Also, installers must keep records that indicate the substantiation relied upon for savings claims. The addition time for complying with this requirement is minimal, approximately 5 minutes per year per installer, for a total of approximately 125 hours (1,500 installers  $\times$  5 minutes).

**New Home Sellers:** New home sellers must make contract disclosures concerning the type, thickness and R-value of the insulation they install in each part of a new home. Staff estimate

that no more than one minute per sales transaction is required to comply with this requirement, for a total annual burden of approximately 283,333 hours (1.7 million new home sales  $\times$  1 minute).

New home sellers who make energy savings claims must also keep records regarding the substantiation relied upon for those claims. Because few new home sellers make these claims, and the ones that do would likely keep these records anyway in the ordinary course of business, staff estimate that the one minute burden for disclosures would be more than adequate to cover this recordkeeping requirement, as well.

**Retailers:** The Rule requires that the approximately 25,000 retailers who sell home insulation make fact sheets available to consumers prior to purchase. This can be accomplished by, e.g., placing copies in a display rack, or keeping copies in a binder on a service desk with an appropriate notice. Replenishing or replacing fact sheets takes approximately one hour per year per retailer, for a burden estimate of approximately 25,000 annual hours (25,000 retailers  $\times$  1 hour).

The Rule also requires specific disclosures in advertisements or other promotional materials to ensure that the claims are fair and not deceptive. This burden is extremely small because retailers typically use advertising copy provided by the insulation manufacturer, and even when retailers prepare their own advertising copy, the Rule provides some of the language to be used. Accordingly, approximately one hour per year per retailer is sufficient for compliance with this requirement, for a total annual burden of approximately 25,000 hours.

Retailers who make energy savings claims in advertisements or other promotional materials must keep records that indicate the substantiation they are relying upon. Because few retailers make these types of promotional claims and because the Rule permits retailers to rely on the insulation manufacturer's substantiation data for any claims that are made, the additional recordkeeping burden is *de minimis*. The time calculated for disclosures, above, would be more than adequate to cover any burden imposed by this recordkeeping requirement.

To summarize, staff estimates that the Rule imposes a total of 366,331 burden hours, as follows: 150 recordkeeping and 3,390 testing and disclosure hours for manufacturers; 125 recordkeeping and 29,333 disclosure hours for installers; 283,333 disclosure hours for new home sellers; and 50,000 disclosure

hours for retailers. This figure has been rounded to 366,400 burden hours.

#### *Estimated Annual Labor Costs:*

The total annual labor costs for the Rule's information collection requirements is \$7,290,030, derived as follows: \$600 for testing, based on 30 hours for manufacturers (30 hours  $\times$  \$20 per hour for skilled technical personnel); \$2,750 for complying with the recordkeeping requirements of the Rule, based on 275 hours (275 hours  $\times$  \$10 per hour for clerical personnel); \$33,360 for manufacturers' compliance with third-party disclosure requirements, based on 3,360 hours (3,360 hours  $\times$  \$10 per hour for clerical personnel); and 47,253,320 for compliance by installers, new home (362,666 hours  $\times$  \$20 per hour for sales persons).

#### *Estimate of Capital and Other Non-Labor Costs*

There are no significant current capital or other non-labor costs associated with this Rule. Because the Rule has been in effect since 1980, members of the industry are familiar with its requirements and already have in place the equipment for conducting tests and storing records. New products are introduced infrequently. Because the required disclosures are placed on packaging or on the product itself, the Rule's additional disclosure requirements do not cause industry members to incur any significant additional non-labor associated costs.

#### **6. Title: FTC Administrative Activities (OMB Control Number 3084-0047)—Extension**

Currently, the FTC has OMB clearance for certain administrative and/or procedural activities relating to: (1) FTC procurement activities; (2) the document order form used by the FTC public reference branch; (3) applications to the Commission, including applications and notices contained in the Commission's Rules of Practice (primarily Parts I, II, and IV); and (4) rules governing claims against the FTC under the Equal Access to Justice Act.

The FTC seeks to delete items (1), (2), and (4). With respect to item (1), OMB has advised the FTC that it must seek clearance only for any agency-unique information collections that have been published as a supplement to the Federal Acquisition Regulations. The FTC has no such supplement and accordingly, there is no requirement to obtain OMB approval. Deleting this item eliminates 1,000 of 2,300 hours estimated in the FTC's 1995 submission for OMB Control No. 3084-0047.

With respect to item (2), FTC Form 14 is excluded from the PRA's definition of "information" because the form asks only for the respondent's name, address, a description of the records and the number of copies requested. See 5 CFR 3(h)(1) (the definition of "information" excludes an "affidavit" or "certification" that merely asks the respondent for identifying information such as his or her name, address, the date, and the nature of the instrument), OMB Implementing Guidance to the Paperwork Reduction Act of 1995 (Preliminary Draft), February 3, 1997. Deleting this item eliminates another 1,000 of 2,300 hours.

With respect to item (4), the "law enforcement" exception of the PRA excludes this category, because it involves collecting information during the conduct of a Federal investigation, civil action, administrative action, investigation, or audit with respect to a specific party, or subsequent adjudicative or judicial proceedings designed to determine fines or other penalties. See 5 CFR 1320.4(a)(1)–(3). Deleting this item eliminates another 200 hours of the 2,300 hours previously estimated for this submission.

With respect to item (3), the FTC is requesting an extension for those provisions covered by that category. Several of the Commission's rules contain provisions that allow certain modifications to, or exemptions from, a rule. For example, Part 901 of the Commission's Rules, 16 CFR Part 901, implementing the Fair Debt Collection Practices Act, 15 U.S.C. 1692, sets forth the procedures and standards for approving petitions received from a state that is requesting permission to apply state law in lieu of federal standards.

Also, the Commission recently amended Rule 4.11(e), 16 CFR 4.11(e), which establishes procedures for agency review of compulsory process issued to the Commission or its employees in matters to which the agency is not a party. The revised rule requires requesters who seek voluntary testimony by Commission employees to submit a statement in support of their requests. This amendment increases the burden imposed by "FTC Administrative Activities" by 24 hours and \$6,000 per year. On June 11, 1999, the FTC filed an OMB Form 83–C, Paperwork Reduction Act Change Worksheet that reflected those increases.

The FTC also recently received approval from the Office of Government Ethics ("OGE") to use an alternative form (instead of OGE Form 450, OMB clearance No. 3209–0006) for

Commission consultants to report financial and other conflicts of interest. This alternative form, which requires a simple certification instead of a detailed listing of the reporter's financial interests, is appropriate for FTC consultants, most of whom work only on specific projects for short periods of time, and many of whom serve without pay. While this form will save FTC consultants several hours per year in complying with financial disclosure and conflict of interest requirements, it also will increase the burden attributed to the FTC by approximately 2 hours per year because it replaces hours attributable to OGE. There is no significant cost associated with completing the form.

#### *Estimated Annual Burden Hours*

Most applications to the Commission generally fall within the "law enforcement exception" discussed above, and those that are not are rare and any burden associated with them is *de minimis*. For example, over the last decade, the Commission has received only one application for an exemption under the Fair Debt Collection Practices Act provisions. Staff has estimated that such a submission can be completed well within 50 hours. Applications and notices to the Commission contained in other rules (generally in Parts I, II, and IV of the Commission's Rule of Practice) are also infrequent and difficult to quantify. An example is a request for a waiver of costs for obtaining Commission records. See 16 CFR 4.8(e). Nonetheless, in order to cover any potential "collections of information" for which we have not otherwise requested clearance, we are requesting a total of 100 burden hours as an estimate of the time needed to submit any relevant responses.

#### *Estimated Annual Labor Costs*

Based on 124 burden hours, and an hourly rate of \$250 for attorney time, we estimate the annual cost burden to be no more than \$31,000. There is no cost associated with the alternative financial reporting form.

#### *Estimated Capital and Start-Up Costs/Operation and Maintenance*

Not applicable

**John D. Graubert,**

*Acting General Counsel.*

[FR Doc. 99–17313 Filed 7–7–99; 8:45 am]

BILLING CODE 6750–01–M

## DEPARTMENT OF HEALTH AND HUMAN SERVICES

### Notice of a Meeting of the National Bioethics Advisory Commission (NBAC)

**SUMMARY:** Pursuant to Section 10(d) of the Federal Advisory Committee Act, as amended (5 U.S.C. Appendix 2), notice is given of a meeting of the National Bioethics Advisory Commission. The Commission will address (1) research involving human embryonic stem cells and (2) the international project. Some Commission members may participate by telephone conference. The meeting is open to the public and opportunities for statements by the public will be provided on July 13, 1999 from 11:30 am to 12 noon.

Dates/Times	Location
July 13, 1999, 8:30 am–5:00 pm.	Jerome C. Hunsaker Room, University Park Hotel, 20 Sidney Street, Cam- bridge, Massachusetts.
July 14, 1999, 8:30 am–12 Noon.	Same Location as Above.

**SUPPLEMENTARY INFORMATION:** The President established the National Bioethics Advisory Commission (NBAC) on October 3, 1995 by Executive Order 12975 as amended. The mission of the NBAC is to advise and make recommendations to the National Science and Technology Council, its Chair, the President, and other entities on bioethical issues arising from the research on human biology and behavior, and from the applications of that research.

#### **Public Participation**

The meeting is open to the public with attendance limited by the availability of space on a first come, first serve basis. Members of the public who wish to present oral statements should contact Ms. Patricia Norris by telephone, fax machine, or mail as shown below and as soon as possible at least 4 days before the meeting. The Chair will reserve time for presentations by persons requesting to speak and asks that oral statements be limited to five minutes. The order of persons wanting to make a statement will be assigned in the order in which requests are received. Individuals unable to make oral presentations can mail or fax their written comments to the NBAC staff office at least five business days prior to the meeting for distribution to the Commission and inclusion in the public record. The Commission also accepts general comments at its website at