

**§ 20.3 Misrepresentation of the terms “rebuilt,” “factory rebuilt,” “remanufactured,” etc.**

(a) It is unfair or deceptive to use the words “Rebuilt,” “Remanufactured,” or words of similar import, to describe an industry product which, since it was last subjected to any use, has not been dismantled and reconstructed as necessary, all of its internal and external parts cleaned and made rust and corrosion free, all impaired, defective or substantially worn parts restored to a sound condition or replaced with new, rebuilt (in accord with the provisions of this paragraph) or unimpaired used parts, all missing parts replaced with new, rebuilt or unimpaired used parts, and such rewinding or machining and other operations performed as are necessary to put the industry product in sound working condition.

(b) It is unfair or deceptive to represent an industry product as “Factory Rebuilt” unless the product was rebuilt as described in paragraph (a) of this section at a factory generally engaged in the rebuilding of such products. (See also § 20.2.)

By direction of the Commission.

**Donald S. Clark,**  
*Secretary.*

[FR Doc. 02-5127 Filed 3-4-02; 8:45 am]

**BILLING CODE 6750-01-M**

## FEDERAL TRADE COMMISSION

### 16 CFR Part 250

#### Guides for the Household Furniture Industry

**AGENCY:** Federal Trade Commission.

**ACTION:** Final rule; rescission of the guides for the household furniture industry.

**SUMMARY:** The Commission published a **Federal Register** document initiating the regulatory review of the Federal Trade Commission’s (“Commission”) Guides for the Household Furniture Industry (“Furniture Guides” or “Guides”). The Commission has now completed its review, and determined to rescind the Furniture Guides.

**EFFECTIVE DATE:** March 5, 2002.

**ADDRESSES:** Requests for copies of the **Federal Register** document should be sent to the Consumer Response Center, Room 130, Federal Trade Commission, 600 Pennsylvania Avenue, NW., Washington, DC 20580. The document is available on the Internet at the Commission’s website, <http://www.ftc.gov>.

**FOR FURTHER INFORMATION CONTACT:** Ingrid E. Whittaker-Ware, Attorney,

Federal Trade Commission, 225 Peachtree Street, NE., Suite 1500, Atlanta, GA 30303, (404) 656-1390, e-mail <[Iwware@ftc.gov](mailto:Iwware@ftc.gov)>.

**SUPPLEMENTARY INFORMATION:** The Furniture Guides, promulgated by the Commission in 1973, provide guidance for industry members in the manufacture, sale, distribution, labeling and advertising of household furniture products. The Guides generally advise members of the furniture industry to make affirmative disclosures of product facts, which if known by a purchaser, might influence the purchasing decision. The specific disclosures concern identification of the types of wood and outer coverings or stuffings used in furniture. These disclosures were designed to protect consumers from being misled that the product is different from that which is actually being offered.

The Guides advise affirmative disclosure of the composition of a furniture item and specifies where and how the disclosure should be made. For example, Section 250.1(b) advises that a tag or label affirmatively describing the product be permanently affixed to the product until consummation of sale to a consumer, and that the same information be included in advertising for the product. The Guides also provide examples of deceptive and non-deceptive descriptions of wood and wood imitations to ensure that prospective purchasers are not misled by a product’s appearance. In addition, the Guides provide that wood names or trade names not be used to describe materials that simulate the appearance of wood without clearly disclosing that such names are merely descriptive of color or other simulated finish.

The Commission has determined, as part of its oversight responsibilities, to review rules and industry guides periodically. These reviews seek information about the costs and benefits of the Commission’s rules and guides, and their regulatory and economic impact. The information obtained assists the Commission in identifying rules and guides that warrant modification or rescission. The Commission solicited comments on the Furniture Guides in the **Federal Register** on April 10, 2000, 65 FR 18933. The comment period which was originally scheduled to end on June 9, 2000, was extended to July 10, 2000, at the request of members of the furniture industry.

The Commission received one comment. This comment was submitted by the American Furniture Manufacturers Association (“AFMA”).

The AFMA expressed concern that the Guides, as currently written, have little practical use to members of the furniture industry due to significant changes in technology and terminology since the Guides were first promulgated. It noted that

[T]he existing Guides are almost thirty years old, and fail to reflect current manufacturing processes, materials usage, terminology and the expectations of today’s consumers. As currently drafted, the Guides may indeed frustrate good faith efforts to inform the consumer and therefore produce unintended anti-competitive and anti-consumer consequences.

#### **AFMA Comments to the Federal Trade Commission on Guides for the Household Furniture Industry, July 10, 2000, at 3**

The AFMA also suggests that it was the consensus of members of the industry that if the Guides were to be retained it would be necessary that they undergo significant modifications. The Commission received no comments from any consumer group.

In the almost thirty years since the Guides were issued, the Commission has not received any complaints relating to practices covered by these Guides. Further, within the last ten years the Commission has not had need to initiate any enforcement action relating in any way to these Guides. Moreover, the Commission’s unfettered ability to pursue actions against members of this industry for engaging in unfair and deceptive acts and practices under section 5 of the FTC Act, 15 U.S.C. 45, should deter manufacturers and sellers from misleading consumers in the future in the labeling, advertising or sale of household furniture products. If, in the future, deceptive practices prove to be a problem in this industry, however, the Commission may pursue enforcement actions as needed on a case-by-case basis.

For the reasons explained in this notice, the Commission has determined not to revise the Furniture Guides substantially in order to bring them up to date, but instead to rescind the Guides because they are no longer necessary.

#### **List of Subjects in 16 CFR Part 250**

Forest and forest products, Furniture industry, Trade practices.

#### **PART 250—[REMOVED]**

The Commission, under authority of sections 5(a)(1) and 6(g) of the Federal Trade Commission Act, 15 U.S.C. 45(a)(1) and 46(g), amends Chapter 1 of Title 16 of the Code of Federal Regulations by removing Part 250.

By direction of the Commission.

**Donald S. Clark,**

*Secretary.*

[FR Doc. 02-5126 Filed 3-4-02; 8:45 am]

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## FEDERAL TRADE COMMISSION

### 16 CFR Part 259

#### Guide Concerning Fuel Economy Advertising for New Automobiles

**AGENCY:** Federal Trade Commission.

**ACTION:** Final rule.

**SUMMARY:** The Commission has completed its review of the Guide Concerning Fuel Economy Advertising for New Automobiles ("Fuel Guide"), and announces its decision to retain the Guide.

**EFFECTIVE DATE:** March 5, 2002.

**ADDRESSES:** Requests for copies of this document should be sent to the Consumer Response Center, Room 130, Federal Trade Commission, 600 Pennsylvania Avenue NW., Washington, DC 20580. The document is available on the Internet at the Commission's website, <http://www.ftc.gov>.

**FOR FURTHER INFORMATION CONTACT:**

Willie L. Greene, Investigator, Federal Trade Commission, East Central Region, 1111 Superior Avenue—Suite 200, Cleveland, Ohio 44114, telephone number (216) 236-3406, e-mail <[wgreene@ftc.gov](mailto:wgreene@ftc.gov)>.

**SUPPLEMENTARY INFORMATION:** As part of the Commission's review of its rules and guides, the Commission published a **Federal Register** Notice seeking comments about the Fuel Guide's overall costs and benefits, and the continuing need for the Guide.<sup>1</sup> The Fuel Guide, adopted in 1975 and subsequently revised twice,<sup>2</sup> provides guidance to automobile manufacturers to prevent deceptive advertising and to facilitate the use of fuel economy information in advertising. The Guide advises vehicle manufacturers and dealers how to disclose the established fuel economy of a vehicle, as determined by the Environmental Protection Agency's rules pursuant to the Automobile Information Disclosure Act (15 U.S.C. 2996), in advertisements that make representations regarding the fuel economy of a new vehicle. The disclosure is tied to the claim made in the advertisement. If both city and highway fuel economy claims are made, both city and highway EPA figures

should be disclosed. A claim regarding either city or highway fuel economy should be accompanied by the corresponding EPA figure. A general fuel economy claim would trigger disclosure of the EPA city figure, although the advertiser would be free to state the highway figure as well.

The Commission received three comments in response to the **Federal Register** Notice.<sup>3</sup> All three of the comments recommended that the Commission retain the Fuel Guide. Two of the comments supported this recommendation by asserting that the Fuel Guide prevents deceptive or misleading fuel economy advertising and provides consumers with fuel economy numbers that can be used in making comparisons among vehicle models.<sup>4</sup> One comment also noted that the expense to automobile manufacturers of implementing the Guide is minimal.<sup>5</sup>

After review of the Fuel Guide and its effect on the new vehicle industry and purchasers of new vehicles, the Commission concludes that the Fuel Guide is useful to both consumers and the new vehicle industry. The Guide affords clarity in the advertising of fuel economy and therefore should be retained. Price escalation in gasoline and diesel fuels has caused considerable interest and concern in the fuel industry and among consumers. The Commission believes that consumers will continue to benefit from accurate information in the advertising of fuel economy for new vehicles.

The Fuel Guide has been a benefit to consumers, providing fuel economy numbers in advertising that allow meaningful comparisons of different vehicle models. While the benefit to consumers has been great, the cost to vehicle manufacturers of complying with the Guide's provisions has been minimal.

Based on its review, the Commission has concluded that there is a continuing need for the Fuel Guide, which has benefitted both consumers and the new vehicle industry. The Commission

therefore has decided to retain the Fuel Guide.

#### List of Subjects in 16 CFR Part 259

Advertising, Fuel economy, Trade practices.

By direction of the Commission.

**Donald S. Clark,**

*Secretary.*

[FR Doc. 02-5125 Filed 3-4-02; 8:45 am]

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## TENNESSEE VALLEY AUTHORITY

### 18 CFR Part 1315

#### New Restrictions on Lobbying

**AGENCY:** Tennessee Valley Authority.

**ACTION:** Final rule.

**SUMMARY:** The Tennessee Valley Authority is amending its rules regarding restrictions on lobbying to make inflation adjustments in the range of civil monetary penalties it may assess against persons who violate these rules. These adjustments are required by the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended.

**EFFECTIVE DATE:** March 5, 2002.

**FOR FURTHER INFORMATION CONTACT:**

Clifford L. Beach, Jr., Attorney, 865-632-4146, Office of the General Counsel, Tennessee Valley Authority, 400 West Summit Hill Drive, ET 10A, Knoxville, Tennessee 37902-1401.

**SUPPLEMENTARY INFORMATION:** Section 4 of the "Federal Civil Penalties Inflation Adjustment Act of 1990" (Public Law 101-410), as amended by the "Debt Collection Improvement Act of 1996" (Public Law 104-134), requires each Federal agency with statutory authority to assess a civil monetary penalty (CMP) to adjust each CMP by the inflation adjustment described in section 5 of the Act. Such adjustment is to be made by regulation published in the **Federal Register**. Agencies are to make inflation adjustments by regulation at least once every four years. Any increase in a CMP made pursuant to the Act applies only to violations that occur after the date the increase takes effect.

TVA's only statutory authority to assess a CMP is found at 31 U.S.C. 1352(c), which describes the range of penalties TVA may impose for a violation of that statute's prohibition against use of appropriated funds to pay any person for influencing or attempting to influence a Federal official in connection with any Federal action and for a failure to file a declaration or a declaration amendment as required by that statute. The penalties to be imposed

<sup>1</sup> 64 FR 19729 (Apr. 22, 1999).

<sup>2</sup> 40 FR 42003 (Sept. 10, 1975); 43 FR 55747 (Nov. 29, 1978); 60 FR 56230 (Nov. 8, 1995).

<sup>3</sup> The Commission's request for public comment elicited comments from: (1) Josephine S. Cooper, Alliance of Automobile Manufacturers, Washington, DC ("AAM"), #00001; (2) James C. Minnis, National Automobile Dealers Association, McLean, VA ("NADA"), #00002 and (3) David Sokol, Houston, TX ("Sokol") #00003. These comments are on the public record in file number P004243 as document numbers B25589500001 through B25589500003. The comments are available for viewing in Room 130 at the Federal Trade Commission, 600 Pennsylvania Avenue NW., Washington, DC 20580, from 8:30 a.m. to 5:00 p.m., Monday-Friday.

<sup>4</sup> AAM, #00001; NADA, #00002.

<sup>5</sup> AAM, #00001.