

summarizes each FAA-public contact concerned with the substance of this action will be filed in the Rules Docket.

Commenters wishing the FAA to acknowledge receipt of their comments submitted in response to this rule must submit a self-addressed, stamped postcard on which the following statement is made: "Comments to Docket No. 96-ANE-29." The postcard will be date stamped and returned to the commenter.

#### Agency Findings

The regulations adopted herein will not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. Therefore, in accordance with Executive Order 12612, it is determined that this final rule does not have sufficient federalism implications to warrant the preparation of a Federalism Assessment.

The FAA has determined that this regulation is noncontroversial and unlikely to result in adverse or negative comments. For the reasons discussed in the preamble, I certify that this regulation (1) is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under Department of Transportation (DOT) Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and (3) does not warrant preparation of a Regulatory Evaluation as these routine matters will only affect air traffic procedures and air navigation. It is certified that these proposed rules will not have significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

#### List of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

#### Adoption of the Amendment

Accordingly, pursuant to the authority delegated to me, the Federal Aviation Administration amends part 71 of the Federal Aviation Regulations (14 CFR part 71) as follows:

#### PART 71—[AMENDED]

1. The authority citation for part 71 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40103, 40113, 40120; E.O. 10854, 24 FR 9565, 3 CFR, 1959-1963 Comp., p.389.

2. The incorporation by reference in 14 CFR 71.1 of Federal Aviation Administration Order 7400.9D, Airspace Designations and Reporting Points,

dated September 4, 1996, and effective September 16, 1996, is amended as follows:

#### *Paragraph 6005-Class E Airspace Areas Extending Upward from 700 Feet or more Above the Surface of the Earth*

\* \* \* \* \*

ANE ME E5 Old Town, ME [Revised]  
Dewitt Field, Old Town Municipal Airport,  
ME  
(lat. 44°57'10" N, long. 68°40'25" W)  
Bangor VORTAC  
(lat. 44°50'31" N, long. 68°52'26" W)  
Old Town NDB  
(lat. 44°00'24" N, long. 68°38'00" W)

That airspace extending upward from 700 feet above the surface within a 7.0-mile radius of Dewitt Field, Old Town Municipal Airport, and within 4.0 miles each side of the Old Town Municipal Airport 276° bearing extending from the 7-mile radius to 10.2 miles west of Old Town Municipal Airport, and within 4.0 miles each side of the Old Town Municipal Airport 097° bearing extending from the 7-mile radius to 9.5 miles east of Old Town Municipal Airport, and within 2.8 miles each side of the Old Town NDB 029° bearing extending from the 7-mile radius to 9 miles northeast of the Old Town NDB, and within 4 miles each side of the Bangor VORTAC 050° radial extending from the 7-mile radius to 25 miles northeast of the VORTAC; excluding that airspace within the Bangor, ME, Class E airspace area.

\* \* \* \* \*

Issued in Burlington, MA, on October 11, 1996.

David J. Hurley,

Manager, Air Traffic Division, New England Region.

[FR Doc. 96-27184 Filed 10-23-96; 8:45 am]

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## DEPARTMENT OF COMMERCE

### Office of the Secretary

#### 15 CFR Parts 6, 25, and 28

[Docket No. 961021291-6291-01]

RIN 0690-AA27

### Civil Monetary Penalties; Adjustment for Inflation

AGENCY: Office of the Secretary, Commerce.

ACTION: Final rule.

**SUMMARY:** This final rule is being issued to adjust each civil monetary penalty provided by law within the jurisdiction of the Department of Commerce (the Department). The Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Debt Collection Improvement Act of 1996, requires the head of each agency to adjust its civil monetary penalties for inflation no later than October 23, 1996,

and at least once every four years thereafter. The inflation adjustments will apply only to violations that occur after the effective date of this rule.

**EFFECTIVE DATE:** This rule is effective October 23, 1996.

**FOR FURTHER INFORMATION CONTACT:** Charles Yapple, 202-482-0232.

**SUPPLEMENTARY INFORMATION:** The Federal Civil Penalties Inflation Adjustment Act of 1990, (Pub. L. 101-410), provided for the regular evaluation of civil monetary penalties to ensure that they continued to maintain their deterrent value and that penalty amounts due to the Federal Government were properly accounted for and collected. On April 26, 1996, the Federal Civil Penalties Inflation Adjustment Act of 1990 was amended by the Debt Collection Improvement Act of 1996 (Public Law 104-134) to require each agency to issue regulations to adjust its civil monetary penalties (CMP) for inflation. The amendment further provides that any resulting increases in a CMP due to the inflation adjustment should apply only to the violations that occur after October 23, 1996. The first inflation adjustment of any penalty shall not exceed ten percent of such penalty.

A civil monetary penalty is defined as any penalty, fine, or other sanction that:

1. Is for a specific monetary amount as provided by Federal law, or has a maximum amount provided for by Federal law; and,
2. Is assessed or enforced by an agency pursuant to Federal law; and,
3. Is assessed or enforced pursuant to an administrative proceeding or a civil action in the Federal courts.

This regulation adjusts the civil penalties that are established by law and assessed or enforced by the Department.

The actual penalty assessed for a particular violation is dependent upon a variety of factors. For example, the NOAA Civil Administrative Penalty Schedule (the Schedule), a compilation of internal guidelines that are used when assessing penalties for violations for most of the statutes the National Oceanic and Atmospheric Administration enforces, will be adjusted in a manner consistent with this regulation to maintain the deterrent effect of the penalties recommended therein. The penalty ranges in the Schedule are intended to aid enforcement attorneys in determining the appropriate penalty to assess for a particular violation. Pursuant to the notice published in the Federal Register (59 FR 19160, April 22, 1994), the Schedule is maintained and made

available for inspection by the public at specific locations.

The inflation adjustment was determined pursuant to the methodology prescribed by Public Law 101-410, which requires the maximum CMP, or the minimum and maximum CMP, as applicable, to be increased by the cost-of-living adjustment. The term "cost-of-living" adjustment means the percentage for each CMP by which the Consumer Price Index (CPI) for June of the calendar year preceding the adjustment exceeds the CPI for the month of June of the calendar year in which the amount of such CMP was last set or adjusted pursuant to law. For the purpose of computing the *First Adjustments*, the CPI for June of the calendar year preceding the adjustment means the CPI for June of 1995.

The raw inflation adjustment amounts are required by Public Law 101-410 to be rounded as follows:

1. If the increase is greater than \$0 and less than or equal to \$100, round to the nearest multiple of \$10.
2. If the increase is greater than \$100 and less than or equal to \$1,000, round to nearest multiple of \$100.
3. If the increase is greater than \$1,000 and less than or equal to \$10,000, round to the nearest multiple of \$1,000.
4. If the increase is greater than \$10,000 and less than or equal to \$100,000, round to the nearest multiple of \$5,000.
5. If the increase is greater than \$100,000 and less than or equal to \$200,000, round to the nearest multiple of \$10,000.
6. If the increase is greater than \$200,000, round to the nearest multiple of \$25,000.

Public Law 101-410 requires each rounded increase to be added to the minimum or maximum penalty amount being adjusted, and the total is the amount of such penalty, as adjusted, subject to the ten percent limitation provided by Public Law 104-134 for the *First Adjustments*.

#### Rulemaking Requirements

It has been determined that this rule is not significant for purposes of Executive Order 12866. The Department for good cause finds that notice and opportunity for comment and the 30-day delayed effective date are unnecessary (5 U.S.C. 553(b)(B) and 5 U.S.C. 553(d)(3)) for this rulemaking. It is unnecessary to ask for notice and comment and delay the effective date because the Debt Collection Improvement Act of 1996 (the Act) requires the head of each agency to adjust its civil monetary penalties for inflation by regulation no later than

October 23, 1996, and the Federal Civil Monetary Penalty Inflation Adjustment Act of 1990, as amended by the Act, states how to calculate the inflation adjustment. This rule merely adjusts the Department's CMPs according to the statutory requirements. The Department does not have any discretion in making the adjustments. Because notice and opportunity for comment are not required by 5 U.S.C. 553, or any other law, a Regulatory Flexibility Analysis is not required and was not prepared for purposes of the Regulatory Flexibility Act. This rule does not contain information collection requirements for purposes of the Paperwork Reduction Act.

#### List of Subjects

##### 15 CFR Part 6

Law enforcement, Penalties.

##### 15 CFR Part 25

Administrative practice and procedure, Fraud, Investigations, Organizations and functions (Government agencies), Penalties.

##### 15 CFR Part 28

Contract programs, Grant programs, Loan programs, Lobbying, Penalties.

Dated: October 18, 1996.

Raymond G. Kammer,  
Acting, Chief Financial Officer and Assistant  
Secretary for Administration.

For the reasons set forth in the preamble, Title 15 of the Code of Federal Regulations is amended by adding part 6 and amending parts 25 and 28 to read as follows:

1. Part 6 is added to read as follows:

#### **PART 6—CIVIL MONETARY PENALTY INFLATION ADJUSTMENTS**

##### Sec.

- 6.1 Definitions.
- 6.2 Purpose and scope.
- 6.3 Limitation on *First Adjustments*.
- 6.4 Adjustments to penalties.
- 6.5 Effective date of adjustments.
- 6.6 Subsequent adjustments.

Authority: Sec. 4, as amended, and sec. 5, Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 104-134, 110 Stat. 1321, 28 U.S.C. 2461 note.

##### **§ 6.1 Definitions.**

As used in this part:

(a) *Inflation Adjustment Act* means the Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub. L. 101-410, October 5, 1990, 104 Stat. 890, 28 U.S.C. 2461 note).

(b) *Improvement Act* means the Debt Collection Improvement Act of 1996 (Public Law 104-134, April 26, 1996).

(c) *Amended Section Four* means section 4 of the *Inflation Adjustment*

Act, as amended by the *Improvement Act*.

(d) *Section Five* means section 5 of the *Inflation Adjustment Act*.

(e) *Department* means the Department of Commerce.

(f) *Secretary* means the Secretary of the Department of Commerce.

(g) *First Adjustments* means the inflation adjustments made by § 6.4 of this part which, as provided in § 6.5 of this part, are effective on October 23, 1996.

##### **§ 6.2 Purpose and scope.**

The purpose of this part is to make the inflation adjustment, described in *Section Five* and required by *Amended Section Four*, of each minimum and maximum civil monetary penalty provided by law within the jurisdiction of the *Department*.

##### **§ 6.3 Limitation on First Adjustments.**

Each of the *First Adjustments* may not exceed ten percent (10%) of the respective penalty being adjusted.

##### **§ 6.4 Adjustments to penalties.**

The civil monetary penalties provided by law within the jurisdiction of the respective agencies or bureaus of the *Department*, as set forth below in this section, are hereby adjusted in accordance with the inflation adjustment procedures prescribed in *Section Five*, from the amounts of such penalties in effect prior to October 23, 1996, to the amounts of such penalties, as thus adjusted.

(a) Bureau of Export Administration.

(1) 50 U.S.C. app. 2410(c), Export Administration Act,<sup>1</sup> Non-national security violation: from \$10,000 to \$11,000.

(2) 50 U.S.C. app. 2410(c), Export Administration Act<sup>1</sup> and Section 38 Arms Export Control Act, National security violation: from \$100,000 to \$110,000.

(3) 50 U.S.C. 1705(b), International Emergency Economic Powers Act, as invoked by E.O. 12924 (August 19, 1994) and E.O. 12938 (November 14, 1994), Export Administration Regulation violation: from \$10,000 to \$11,000.

(b) Economic Development Administration.

(1) 19 U.S.C. 2349, Trade Act of 1974, False statement, etc.: from \$5,000 to \$5,500.

(2) 42 U.S.C. 3220(a), Public Works and Economic Development Act of 1965, False statement, etc.: from \$10,000 to \$11,000.

(3) 42 U.S.C. 3220(b), Public Works and Economic Development Act of

<sup>1</sup> See E.O. 12851 (June 11, 1993).

1965, Embezzlement, etc.: from \$10,000 to \$11,000.

(c) Economics and Statistics Administration (ESA)/Census.

(1) 13 U.S.C. 304, Delinquency on delayed filing of export documentation: from \$100 per/day (up to \$1,000) to \$110 per/day (up to \$1,100).

(2) 13 U.S.C. 305, Collection of foreign trade statistics violations: from \$1,000 to \$1,100.

(d) ESA/Bureau of Economic Analysis.

(1) 22 U.S.C. 3105(a), International Investment and Trade in Services Act, Failure to furnish information: from a minimum of \$2,500 to \$2,750, and from a maximum of \$25,000 to \$27,500.

(2) [Reserved]

(e) Import Administration.

(1) 19 U.S.C. 81s, Foreign Trade Zone violation: from \$1,000 to \$1,100.

(2) 19 U.S.C. 1677f(f)(4), North American Free Trade Agreement Protective Order violation: from \$100,000 to \$110,000.

(f) National Oceanic and Atmospheric Administration.

(1) 15 U.S.C. 5623, Land Remote Sensing Policy Act of 1992 violation: from \$10,000 to \$10,900.

(2) 15 U.S.C. 5658, Land Remote Sensing Policy Act of 1992 violation: from \$10,000 to \$10,900.

(3) 16 U.S.C. 773f(3), Northern Pacific Halibut Act of 1982 violation: from \$25,000 to \$27,500.

(4) 16 U.S.C. 783, Sponge Act (1914), Violation involving catching or taking within specific areas: from \$500 to \$550.

(5) 16 U.S.C. 957, Tuna Convention Act of 1950 (1962):

(i) Violation of § 957(a) [Fine at § 957(d)]: from \$25,000 to \$27,500.

(A) Subsequent violation of section 957(a) [Fine at § 957(d)]: from \$50,000 to \$55,000.

(B) [Reserved]

(ii) Violation of section 957(b) [Fine at section 957(e)]: from \$1,000 to \$1,100.

(A) Subsequent violation of § 957(b) [Fine at § 957(e)]: from \$5,000 to \$5,500.

(B) [Reserved]

(iii) Violation of section 957(c) [Fine at section 957(f)]: from \$100,000 to \$110,000.

(6) 16 U.S.C. 971e(e), Atlantic Tunas Convention Act of 1975 (1995) violation: from \$100,000 to \$100,000.

(7) 16 U.S.C. 972f(b), Eastern Pacific Tuna Licensing Act of 1984:

(i) Violation of section 972f(a)(1)–(3): from \$25,000 to \$27,500.

(A) Subsequent violation of § 972f(a)(1)–(3): from \$50,000 to \$55,000.

(B) [Reserved]

(ii) Violation of section 972f(a)(4)–(5): from \$5,000 to \$5,500.

(A) Subsequent violation of § 972f(a)(4)–(5): from \$5,000 to \$5,500.

(B) [Reserved]

(iii) Violation of section 972f(a)(6): from \$100,000 to \$110,000.

(8) 16 U.S.C. 973f(a), South Pacific Tuna Act of 1988 violation: from \$250,000 to \$275,000.

(9) 16 U.S.C. 1375(a)(1), Marine Mammal Protection Act of 1972:

(i) Violation: from \$10,000 to \$11,000.

(ii) Knowing violation (1981): from \$20,000 to \$22,000.

(10) 16 U.S.C. 1437(c)(1), National Marine Sanctuaries Act (1992) violation: from \$100,000 to \$109,000.

(11) 16 U.S.C. 1540(a)(1), Endangered Species Act of 1973:

(i) Knowing violations or engaged in business of section 1538 (a)(1)(A), (B), (C), (D), (E), or (F), (a)(2)(A), (B), (C), or (D), (c), (d) (other than recordkeeping or filing reports), (f), or (g) (1988): from \$25,000 to \$27,500.

(ii) Other knowing or business-related violations (1988): from \$12,000 to \$13,200.

(iii) Otherwise (1978): from \$500 to \$550.

(12) 16 U.S.C. 1851 Note (Sec.5)(c)(1), Atlantic Striped Bass Conservation Act (1984) violation: from \$1,000 to \$1,100.

(13) 16 U.S.C. 1858, Magnuson Fishery Conservation and Management Act (1990): from \$100,000 to \$110,000.

(14) 16 U.S.C. 2437(a)(1), Antarctic Marine Living Resources Convention Act (1984):

(i) Knowing violation: from \$10,000 to \$11,000.

(ii) Violation: from \$5,000 to \$5,500.

(15) 16 U.S.C. 3373(a), Lacey Act Amendments of 1981:

(i) Violations involving possession, sale, or transport of fish/plants/wildlife (1981): from \$10,000 to \$11,000.

(ii) Marking violations of fish/plant/wildlife (1981): from \$250 to \$275.

(iii) False labeling/knowingly (1988): from \$10,000 to \$11,000.

(16) 16 U.S.C. 3606, Atlantic Salmon Convention Act of 1982 (1990): from \$100,000 to \$110,000.

(17) 16 U.S.C. 3637, Pacific Salmon Treaty Act of 1985 (1990): from \$100,000 to \$110,000.

(18) 30 U.S.C. 1462(a), Deep Seabed Hard Mineral Resources Act (1980): from \$25,000 to \$27,500.

(19) 42 U.S.C. 9152(c)(1), Ocean Thermal Energy Conversion Act of 1980: from \$25,000 to \$27,500.

#### § 6.5 Effective date of adjustments.

The *First Adjustments* made by § 6.4 of this part, of the penalties there specified, are effective on October 23, 1996, and said penalties, as thus adjusted by the *First Adjustments* made

by § 6.4 of this part, shall apply only to violations occurring after October 23, 1996, and before the effective date of any future inflation adjustment thereto made subsequent to October 23, 1996, as provided in § 6.6 of this part. The penalties specified in § 6.4 of this part which became effective prior to October 23, 1996, shall, without any *First Adjustments* thereto, apply only to violations occurring before October 24, 1996.

#### § 6.6 Subsequent adjustments.

The *Secretary or his or her designee* by regulation shall, at least once every four years after October 23, 1996, make the inflation adjustment, described in *Section Five* and required by *Amended Section Four*, of each civil monetary penalty provided by law and within the jurisdiction of the *Department*.

### PART 25—PROGRAM FRAUD CIVIL REMEDIES

2. The authority for 15 CFR part 25 is revised to read as follows:

Authority: Secs. 6101–6104, Pub. L. 99–509, 100 Stat. 1874 (31 U.S.C. 3801–3812); Sec. 4, as amended, and sec. 5, Pub. L. 101–410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 104–134, 110 Stat. 1321, 28 U.S.C. 2461 note.

3. Section 25.3 is amended by revising paragraphs (a)(1)(iv) and (b)(1)(ii) to read as follows:

#### § 25.3 Basis for civil penalties and assessments.

(a) \* \* \*

(1) \* \* \*

(iv) Is for payment for the provision of property or services which the person has not provided as claimed, shall be subject, in addition to any other remedy that may be prescribed by law, to a civil penalty of not more than \$5,000 for each such claim made on or before October 23, 1996, and of not more than \$5,500 for each such claim made after October 23, 1996.

\* \* \* \* \*

(b) \* \* \*

(1) \* \* \*

(ii) Contains, or is accompanied by, an express certification or affirmation of the truthfulness and accuracy of the contents of the statement, shall be subject, in addition to any other remedy that may be prescribed by law, to a civil penalty of not more than \$5,000 for each such statement made on or before October 23, 1996, and of not more than \$5,500 for each such statement made after October 23, 1996.

\* \* \* \* \*

**PART 28—NEW RESTRICTIONS ON LOBBYING**

4. The authority for 15 CFR part 28 is revised to read as follows:

Authority: Sec. 319, Pub. L. 101-121 (31 U.S.C. 1352; 5 U.S.C. 301; Sec. 4, as amended, and sec. 5, Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 104-134, 110 Stat. 1321, 28 U.S.C. 2461 note.

5. Part 28 is amended by revising § 28.400(a) and (b) and (e) to read as follows:

**§ 28.400 Penalties.**

(a) Any person who makes an expenditure prohibited herein shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure made on or before October 23, 1996, and of not less than \$11,000 and not more than \$110,000 for each such expenditure made after October 23, 1996.

(b) Any person who fails to file or amend the disclosure form (see Appendix B of this part) to be filed or amended if required herein, shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure occurring on or before October 23, 1996, and of not less than \$11,000 and not more than \$110,000 for each such failure occurring after October 23, 1996.

\* \* \* \* \*

(e) First offenders under paragraphs (a) or (b) of this section shall be subject to a civil penalty of \$10,000, absent aggravating circumstances for each such offense committed on or before October 23, 1996, and \$11,000 for each such offense committed after October 23, 1996. Second and subsequent offenses by persons shall be subject to an appropriate civil penalty between \$10,000 and \$100,000 for each such offense committed on or before October 23, 1996, and between \$11,000 and \$110,000 for each such offense committed after October 23, 1996, as determined by the agency head or his or her designee.

\* \* \* \* \*

6. Part 28 is further amended by revising paragraph (3) and all that follows of Appendix A.

**Appendix A to Part 28—Certification Regarding Lobbying**

\* \* \* \* \*

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure occurring on or before October 23, 1996, and of not less than \$11,000 and not more than \$110,000 for each such failure occurring after October 23, 1996.

**Statement for Loan Guarantees and Loan Insurance**

The undersigned states, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure occurring on or before October 23, 1996, and of not less than \$11,000 and not more than \$110,000 for each such failure occurring after October 23, 1996.

[FR Doc. 96-27403 Filed 10-22-96; 12:31 pm]

BILLING CODE 3510-17-P

**FEDERAL TRADE COMMISSION****16 CFR Part 406****Deceptive Advertising and Labeling of Previously Used Lubricating Oil**

**AGENCY:** Federal Trade Commission.

**ACTION:** Repeal of rule.

**SUMMARY:** The Federal Trade Commission (the "Commission") announces the repeal of the Trade Regulation Rule on Deceptive Advertising and Labeling of Previously Used Lubricating Oil ("the Used Oil Rule" or "the Rule"). After reviewing the rulemaking record, and in light of Commission promulgation of the Recycled Oil Rule in 1995, pursuant to the Energy Policy and Conservation Act ("EPCA"), the Commission has determined that the Used Oil Rule is no longer necessary or in the public interest, and that its repeal will eliminate unnecessary duplication, and

any inconsistency with EPCA's goals. This document contains a Statement of Basis and Purpose for repealing the Used Oil Rule.

**EFFECTIVE DATE:** October 24, 1996.

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

**FOR FURTHER INFORMATION CONTACT:** Neil Blickman, Attorney, Federal Trade Commission, Bureau of Consumer Protection, Division of Enforcement, Sixth Street and Pennsylvania Ave., N.W., Washington, DC 20580, (202) 326-3038.

**SUPPLEMENTARY INFORMATION:****Statement of Basis and Purpose****I. Background**

Based on the Commission's finding that the new or used status of a lubricant was material to consumers, the Used Oil Rule, 16 CFR Part 406, was promulgated by the Commission on August 14, 1964 (29 FR 11650), to prevent deception of consumers who prefer new and unused lubricating oil. The Rule requires that advertising, promotional material, and labels for lubricant made from used oil disclose such previous use. The Rule prohibits any representation that used lubricating oil is new or unused. In addition, it prohibits use of the term "re-refined," or any similar term, to describe previously used lubricating oil unless the physical and chemical contaminants have been removed by a refining process.

On October 15, 1980, the Used Oil Recycling Act suspended the provision of the Used Oil Rule requiring labels to disclose the origin of lubricants made from used oil,<sup>1</sup> until the Commission issued rules under EPCA. The legislative history indicates Congressional concern that the Used Oil Rule's labeling requirement had an adverse impact on consumer acceptance of recycled oil, provided no useful information to consumers concerning the performance of the oil, and inhibited recycling. Moreover, the origin labeling requirements in the Used Oil Rule arguably were inconsistent with the intent of section 383 of EPCA, which is that "oil should be labeled on the basis of performance characteristics and fitness for intended use, and not on the basis of the origin of the oil."<sup>2</sup>

<sup>1</sup> 42 U.S.C. 6363 note.

<sup>2</sup> See Pub. L. No. 96-463, U.S. Code Cong. & Adm. News, pp. 4354-4356 (1980).