

33927. The scope of the NPR covered the issues of reporting for exempt products and for small parts that detach from a toy or game after purchase. Thus, no additional notice is necessary.

D. Impact on Small Businesses

In accordance with section 3(b) of the Regulatory Flexibility Act, 5 U.S.C. 605(b), the Commission certifies that this regulation will not have a significant economic impact upon a substantial number of small entities if issued on a final basis. Any obligations imposed upon such entities arise under the express provisions of section 102 of the Child Protection Safety Act, Pub. L. No. 103-267, June 17, 1994. This regulation simply revises a narrow aspect of the Commission's interpretation of the obligations imposed by that law. The regulation itself will not have a significant economic impact on small businesses, either beneficial or negative, beyond that which results from the statutory provisions.

E. Environmental Considerations

This revision falls within the provisions of 16 CFR 1021.5(c), which designates categories of actions conducted by the Consumer Product Safety Commission that normally have little or no potential for affecting the human environment. The Commission does not believe that the rule contains any unusual aspects which may produce effects on the human environment, nor can the Commission foresee any circumstance in which the rule issued below may produce such effects. For this reason, neither an environmental assessment nor an environmental impact statement is required.

F. Effective Date

This regulation will become effective 30 days after publication of the final regulation in the **Federal Register**.

List of Subjects in 16 CFR Part 1117

Administrative practice and procedure, Business and industry, Consumer protection, Toy safety, Reporting and recordkeeping requirements, and Small parts.

Conclusion

Therefore, pursuant to the authority of the Child Safety Protection Act [Pub. L. No. 103-267], section 16(b) of the CPSA (15 U.S.C. 2065(b)) and 5 U.S.C. 553, the CPSC amends Part 1117, Chapter II, Subchapter B of Title 16 of the Code of Federal Regulations as follows:

PART 1117—REPORTING OF CHOKING INCIDENTS INVOLVING MARBLES, SMALL BALLS, LATEX BALLOONS AND OTHER SMALL PARTS

1. The authority for Part 1117 continues to read as follows:

Authority: Section 102 of the Child Safety Protection Act (Pub. L. No. 103-267) section 16(b), 15 U.S.C. 2065(b) and 5 U.S.C. 553.

2. Section 1117.2(a) is revised to read as follows:

§ 1117.2 Definitions.

(a) *Small part* means any part, component, or piece of a toy or game, which, when tested in accordance with the procedures in 16 CFR 1501.4(a) and 1501.4(b)(1), fits entirely within the cylinder shown in Figure 1 appended to 16 CFR 1501.

§ 1117.2 [Amended]

3. Section 1117.2 is amended by adding a new paragraph (h) to read as follows:

* * * * *

(h) *Toy or game* includes any toy or game, including those exempt under 16 CFR 1501.3 from the small parts banning provisions of 16 CFR 1500.18(a)(9).

Dated: August 3, 1995.

Sadye E. Dunn,

Secretary, Consumer Product Safety Commission.

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16 CFR Part 1500

Labeling Certain Toys and Games Pursuant to the Child Safety Protection Act; Revision to final rule

AGENCY: Consumer Product Safety Commission.

ACTION: Revision to final rule.

SUMMARY: The Child Safety Protection Act of 1994 ("CSPA") requires, in part, toys or games that are intended for children between three and six years of age and contain small parts to bear specific precautionary labels. On February 27, 1995, the Commission issued a final rule interpreting certain provisions of the CSPA. As the preamble to the final rule noted, the Commission did not then resolve the issue of labeling for products exempt from the Commission's existing small parts rule. This revision clarifies that the labeling requirements do not apply to toys and games intended for children three to six years of age that would otherwise be exempt from the banning

provisions of the Commission's small parts regulation if they were intended for children under three.

DATES: This regulation becomes effective on August 14, 1995.

FOR FURTHER INFORMATION CONTACT: Frank Krivda, Office of Compliance and Enforcement, Consumer Product Safety Commission, 4440 East West Highway, Bethesda, MD 20814 (Mailing address: Washington, D.C. 20207), telephone (301) 504-0400, ext. 1372.

SUPPLEMENTARY INFORMATION:

A. Background

In 1979, the Commission promulgated regulations to identify and ban products which contain small parts that present choking or aspiration hazards to children under three years of age ("the small parts regulation"). The regulation, in part, prescribes a test method to determine whether small parts are present in a product as marketed or after the product is subjected to reasonably foreseeable use or abuse. The regulation also exempts a number of products such as finger paints, modeling clay, writing materials, and children's grooming, feeding, and hygiene products from the testing requirements because they cannot be manufactured in a manner that passes the testing requirements and still remain functional.

In 1994, the Child Safety Protection Act ("CSPA") established, *inter alia*, labeling requirements for toys and games that contain small parts and are intended for children between the ages of three and six. 15 U.S.C. 1278. The primary purpose of these requirements is to alert prospective purchasers that such products are not appropriate for children under three years of age because of the potential choking hazard. On February 27, 1995, the Commission published a regulation to implement the requirements of the CSPA. 60 FR 10742. The Commission considered the issue raised by commenters of whether toys or games exempt from the small parts regulation ("otherwise exempt products") require labeling when they are intended for children between three and six years of age. The Commission discussed the issue in the preamble to the final rule, 60 FR 10749, but left it unresolved, pending appointment of a third Commissioner.

Neither the CSPA nor its legislative history expressly address whether otherwise exempt products require labeling when they are intended for children three to six years of age. However, requiring labeling for such products would create an apparent inconsistency with requirements of the small parts regulation. Specifically, if

the CPSA applied, an otherwise exempt product with a small part intended for children between three and six would require labeling alerting purchasers of the hazards of the product to children under three. However, if the same product were intended for children under three, it would neither be banned nor require any labeling, even though it presented the very same hazard. Of even greater difficulty, if an exempt product intended for children two to five years old (as often happens) required labeling under the CPSA because some of its users were over three, the product would theoretically have to bear a warning not to purchase the product for children under three, even though it is specifically intended for two to three year old children.

In view of the foregoing, the Commission is revising the final labeling rule under the CPSA to clarify that products containing small parts and intended for children at least three years of age but less than six years old, are exempt from the labeling requirements if the same products, when intended for children under three, would be exempt from the small parts banning regulation. This labeling exemption does not, however, apply to balloons, which the CPSA expressly requires to bear precautionary labeling. 15 U.S.C. 1278(b)(1).

B. Notice

The Commission issued a notice of proposed rulemaking ("NPR") concerning the labeling requirements of the CPSA on July 1, 1994, 59 FR 33932, which provided an opportunity for comments on issues including labeling of exempt products. Comments on this issue were received, and these were discussed in the preamble to the final rule, but the Commission did not resolve the issue. See 60 FR 10742, 10749. Because the NPR provided an opportunity for public comment, no additional NPR is necessary.

C. Impact on Small Businesses

In accordance with section 3(b) of the Regulatory Flexibility Act, 5 U.S.C. 605(b), the Commission certifies that this regulation will not have a significant economic impact upon a substantial number of small entities if issued on a final basis. Inasmuch as the revision exempts certain products from the labeling requirements of the CPSA, it imposes no obligation on any entity. Therefore, the revision itself will not have a significant economic impact on small businesses, either beneficial or negative.

D. Environmental Considerations

This action falls within the provisions of 16 CFR 1021.5(c), which designates categories of actions conducted by the Consumer Product Safety Commission that normally have little or no potential for affecting the human environment. The Commission does not believe that the revision contains any unusual aspects which may produce effects on the human environment, nor can the Commission foresee any circumstance in which the rule issued below may produce such effects. For this reason, neither an environmental assessment nor an environmental impact statement is required.

E. Effective Date

This revision will become effective immediately upon publication of the final regulation in the **Federal Register**. The immediate effective date is appropriate because the revision brings no change in current practice. In the preamble to the February 27, 1995 rule, the Commission stated that until the Commission voted on this issue, "toys and games that are exempted from the requirements of the small parts regulation by 16 CFR 1501.3 are not required to bear labeling under the act." 60 FR 10749. This rule continues the interpretation that exempt products do not require labeling under the CPSA. Thus, the Commission determines that there is good cause for an immediate effective date.

List of Subjects in 16 CFR Part 1500

Business and industry, Consumer protection, Hazardous materials, Infants and children, Labeling, Packaging and containers, toys.

Conclusion

Therefore, pursuant to the authority of the Child Safety Protection Act [Pub. L. No. 103-267], sections 10(a) and 24(c) of the Federal Hazardous Substances Act (15 U.S.C. 1269(a) and 1278(c)), and 5 U.S.C. 553, the CPSC amends Title 16 of the Code of Federal Regulations, Chapter II, Subchapter C, Part 1500 as set forth below:

PART 1500—HAZARDOUS SUBSTANCES AND ARTICLES; ADMINISTRATION AND ENFORCEMENT REGULATIONS

1. The authority for Part 1500 continues to read as follows:

Authority: 15 U.S.C. 1261-1278, 2079.

2. Section 1500.19(b)(1) introductory text preceding the warning statement is revised to read as follows:

§ 1500.19(b) Misbranded toys and other articles intended for children.

* * * * *

(1) With the exception of books and other articles made of paper, writing materials such as crayons, chalk, pencils, and pens, modeling clay and similar products, fingerpaints, watercolors, and other paint sets, and any other article identified in 16 CFR 1501.3 (other than balloons), any article that is a toy or game intended for use by children who are at least three years old but less than six years of age shall bear or contain the following cautionary statement if the toy or game includes a small part:

* * * * *

Dated: August 3, 1995.

Sadye E. Dunn,

Secretary, Consumer Product Safety Commission.

[FR Doc. 95-19627 Filed 8-11-95; 8:45 am]

BILLING CODE 6355-01-P

COMMODITY FUTURES TRADING COMMISSION

17 CFR Part 30

Foreign Option Transactions; Material Changes in Terms and Conditions of Option Contract

AGENCY: Commodity Futures Trading Commission.

ACTION: Final rule.

SUMMARY: The Commodity Futures Trading Commission (Commission) is publishing notice of certain material changes in the terms and conditions of the option contract on the MIBOR '90 futures contract traded on the MEFF Sociedad Rectora de Productos Financieros Derivados de Renta Fija, S.A. (MEFF Renta Fija) to be offered or sold to persons located in the United States. The initial order permitting, among others, option contracts on the MIBOR '90 futures contract to be offered or sold to persons in the United States was issued on June 5, 1995, 60 FR 30462 (June 9, 1995), pursuant to Commission rule 30.3(a), 17 CFR 30.3(a), which makes it unlawful for any person to engage in the offer or sale of a foreign option product until the Commission, by order, authorizes such foreign option to be offered or sold in the United States.

EFFECTIVE DATE: August 14, 1995.

FOR FURTHER INFORMATION CONTACT: Jane C. Kang, Esq., or Robert Rosenfeld, Esq., Division of Trading and Markets, Commodity Futures Trading Commission, 2033 K Street, N.W.,