

interest because they will keep the liability limitation in line with inflation. This is particularly important in light of decreasing opportunities for passengers to carry luggage into the cabin. In addition, this periodic update is consistent with a similar recent statutory requirement, the Federal Civil Penalties Inflation Adjustment Act of 1990 amended by the Debt Collection Improvement Act of 1996.

In September of 1983, when the \$1,250 rule was issued, the CPI-U was 100.7. The May 1999 CPI-U is 166.2. If the current limitation were adjusted solely based on the change in the CPI-U during this period, the minimum baggage liability limitation would be \$2,063, and likely higher before the final rule is issued. Although we are proposing to raise the baseline to \$2,500, we note that the two numbers are very close.

The escalator provision we are proposing today would use the most recent CPI-U figure that is available at the time the final rule is issued as the baseline. For clarity, we would state exactly what that number is. The formula for these biyearly increases would be as follows:

$$1x \frac{(a-b)}{b} \times (\$2,500)$$

a= July CPI-U of year of new adjustment
b= the most current CPI-U figure when final rule is issued

[The numerical result would be rounded to the nearest \$100.]

Regulatory Analyses and Notices

The Department has determined that this action is not a significant regulatory action under Executive Order 12866 or under the Department's Regulatory Policies and Procedures. A regulatory evaluation that examines the projected costs and impacts of the proposal has been placed in the docket.

The Department certifies that this rule, if adopted, would not have a significant economic impact on a substantial number of small entities. There were no comments on small entity impacts in response to the NPRM. By its express terms, the rule only applies to flight segments using large aircraft, or on any flight segment that is included on the same ticket as another flight segments that uses large aircraft. Few, if any, air carriers operating large aircraft would qualify as small entities. The rule could apply to some air carriers that might be considered small entities to the extent that they interline or codeshare with large air carriers. Based on our analysis, we do not believe this rule would have a significant economic impact because most claim payments are currently well below

\$1,250. Aggrieved passengers still need to document their loss and are not automatically entitled to compensation at the higher level. Nevertheless, the Department seeks comment on whether there are further unidentified small entity impacts that should be considered. If comments provide information that there are significant small-entity impacts, the Department will prepare a regulatory flexibility analysis at the final rule stage. The Department does not believe that there would be sufficient federalism implications to warrant the preparation of a federalism assessment. The proposal would not result in an unfunded mandate.

List of Subjects in 14 CFR Part 254

Air carriers, Consumer protection, Reporting and recordkeeping requirements.

For reasons set forth in the preamble, the Department proposes to amend 14 CFR part 254, as follows:

PART 254—DOMESTIC BAGGAGE LIABILITY

1. The authority citation for part 254 would be revised to read as follows:

Authority: 49 U.S.C. 40113, 41501, 41504, 41510, 41702, and 41707.

§ 254.1 [Amended]

2. In § 254.1, the phrase "and overseas" would be removed and the phrase "and intrastate" would be added in its place.

§ 254.2 [Amended]

3. In § 254.2, the phrase "or overseas" would be removed and the phrase "or intrastate" would be added in its place.

4. Section 254.4 would be revised to read as follows:

§ 254.4 Carrier liability.

On any flight segment using large aircraft, or on any flight segment that is included on the same ticket as another flight segment that uses large aircraft, an air carrier shall not limit its liability for provable direct or consequential damages resulting from the disappearance of, damage to, or delay in delivery of a passenger's personal property, including baggage, in its custody to an amount less than \$2,500 for each passenger.

§ 254.5 [Amended]

5. In § 254.5(b), the amount "\$1250" would be revised to read "\$2,500".

6. Section 254.6 would be added to read as follows

§ 254.6 Periodic adjustments.

The minimum limit of liability prescribed in this part will be reviewed every two years by the Department of Transportation based on changes in the Consumer Price Index for All Urban Consumers. The Consumer Price Index for All Urban Consumers as of July will be used to calculate the revised liability limit pursuant to the following formula: $1x \frac{(a-b)}{b} \times (\$2,500)$ rounded to the nearest \$100

Where:

a= July CPI-U of year of current adjustment.

b= The most current CPI-U figure when final rule is issued.

Issued in Washington, DC on June 17, 1999, under authority delegated by 49 CFR 1.56a(h)2.

A. Bradley Mims,

Acting Assistant Secretary for Aviation and International Affairs.

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FEDERAL TRADE COMMISSION

16 CFR Part 312

Children's Online Privacy Protection Rule

AGENCY: Federal Trade Commission.

ACTION: Public workshop on proposed regulations implementing the Children's Online Privacy Protection Act.

SUMMARY: On April 27, 1999, the Commission published a **Federal Register** document seeking public comments on its proposed regulations under the Children's Online Privacy Protection Act. As part of its review of the issues raised by the comments in preparation for publishing final regulations, the Commission has scheduled a public workshop to obtain additional comment regarding the issue of appropriate mechanisms for obtaining verifiable parental consent under the regulations. Today's **Federal Register** document outlines the topics to be discussed at the workshop and the procedures to be followed by those who wish to participate in the workshop.

DATES: Requests to participate in the workshop must be submitted by July 6, 1999. The workshop will be held on July 20, 1999, at the Commission's headquarters at 600 Pennsylvania Ave., NW., Washington, DC.

ADDRESSES: All requests to participate should be sent either to the Office of the Secretary, Federal Trade Commission, Room 159, 600 Pennsylvania Avenue, NW., Washington, DC 20580, or by e-

mail to <childprivacy@ftc.gov>. Requests should include the requestor's name, affiliation, if any, address, telephone number and, if available, FAX number and e-mail address. All requests should be captioned "Children's Online Privacy Protection Rule—FTC File No. P994504."

FOR FURTHER INFORMATION CONTACT:

Toby Milgrom Levin, Attorney, Federal Trade Commission, 600 Pennsylvania Avenue, NW., Washington, DC 20580, telephone 202-326-3156, e-mail <tlevin@ftc.gov>; Loren G. Thompson, Attorney, Federal Trade Commission, 600 Pennsylvania Avenue, NW., Washington, DC 20580, telephone 202-326-2049, e-mail <lthompson@ftc.gov>; or Jill Samuels, Attorney, Federal Trade Commission, 600 Pennsylvania Avenue, NW., Washington, DC 20580, telephone 202-326-2066, e-mail <jsamuels@ftc.gov>.

SUPPLEMENTARY INFORMATION:

I. Background

On April 20, 1999, the Commission issued proposed regulations implementing the Children's Online Privacy Protection Act (COPPA), 64 FR 22750, April 27, 1999. Of particular importance is the COPPA requirement that, with certain exceptions, websites obtain "verifiable parental consent" before collecting, using, or disclosing personal information from children. Section 312.5 of the proposed rule sets forth this requirement along with the following performance standard:

An operator must make reasonable efforts to obtain verifiable parental consent, taking into consideration available technology. Any method to obtain verifiable consent must be reasonably calculated, in light of available technology, to ensure that the person providing consent is the child's parent. (64 FR 22756)

In its discussion of this section, the Commission identified a number of methods an operator might use to obtain verifiable parental consent, including a print-and-send form signed by the parent and mailed or faxed to the website; a credit-card transaction initiated by the parent; a call made by the parent to a toll-free number; or an e-mail accompanied by the parent's valid digital signature. The Commission also solicited comment on whether there are other e-mail based mechanisms that could provide sufficient assurance that the person providing consent is the child's parent. (64 FR 22756, 22762)

The Commission received over 120 comments on the proposed regulations.¹

A significant number of those comments addressed the issue of verifiable parental consent. The Commission has concluded that a workshop will afford Commission staff and interested parties an opportunity to explore appropriate mechanisms for obtaining verifiable parental consent. The Commission will consider the views and suggestions made during the workshop, in addition to the written comments received, in formulating its final regulations on this topic.

II. Date, Time and Location of Workshop

The one-day workshop will be held in the FTC headquarters building, 600 Pennsylvania Avenue, NW., Washington, DC, on July 20, 1999.

III. Workshop Sessions

The workshop will be divided into three sections designed to elicit further information regarding mechanisms for verifiable parental consent. The first session will be a discussion of websites' actual experiences with regard to obtaining "verifiable parental consent." The second session will explore the availability and adequacy of e-mail based mechanisms designed to provide verifiable parental consent. The third session will examine other technologies and services that are available or under development to implement the verifiable parental consent requirement.

Session I: What methods are websites currently using to obtain "verifiable parental consent?"

(a) Do these methods comply with the requirements of the statute and the proposed rule for verifiable parental consent, i.e., do they provide sufficient assurance that the person providing the consent is the child's parent?

(b) What are the costs and/or benefits to parents and to websites of these methods?

Session II: Do e-mail based mechanisms comply with the requirements of the statute and the proposed rule for verifiable parental consent, i.e., do they provide sufficient assurance that the person providing the consent is the child's parent?

(a) What e-mail based products or services are currently available or under development that websites could use to obtain verifiable parental consent?

(b) What are the cost and/or benefits to parents and to websites of such products or services?

Session III: Are these examples of other technologies, products, or services

that websites can use to obtain verifiable parental consent?

(a) What other technologies, products, or services are available or under development that websites could use to obtain verifiable parental consent?

(b) What are the costs and/or benefits to parents and to websites of such products or services?

IV. Request To Participate

Parties interested in participating in the workshop must file a request to participate by July 6, 1999. The request should specify the workshop sessions in which the requester seeks to participate. Parties who wish to participate in the workshop but did not submit written comments should submit a short statement of their views. If the number of parties who request to participate in the workshop is so large that include all requesters would inhibit effective discussion among the participants, Commission staff will select as participants a limited number of parties to represent the relevant interests. Selection will be based on the following criteria:

1. The Party submitted a request to participate by July 6, 1999.

2. The party's participation would promote the representative of a balance of interests at the workshop.

3. The party's participation would promote the consideration and discussion of the issues presented in the workshop.

4. The party has expertise in issues raised in the workshop.

5. The party adequately reflects the view of the affected interest(s) which it purports to represent.

If it is necessary to limit the number of participants, those who requested to participate but were not selected will be afforded an opportunity, if at all possible, to present statements during a limited time period at the conclusion of one or more sessions. The time allotted for these statements will be based on the amount of time necessary for discussion of the issues by the selected parties, and on the number of persons who wish to make statements.

Requesters will be notified as soon as possible after July 6, 1999 if they have been selected to participate.

By direction of the Commission.

Benjamin I. Berman,

Acting Secretary.

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¹ The comments are available for viewing at the Commission's headquarters, 600 Pennsylvania Ave.,

NW., Room 130, Washington, DC 20580. They are also available on the Commission's website at <<http://www.ftc.gov>>.