Although the time required to post the Buyers Guides on each used car may vary substantially, FTC staff estimates that, on average, dealers will spend 1.75 minutes per vehicle to match the correct Buyers Guide to the vehicle and place it in or on the vehicle. For the 30,000,000 vehicles sold, the burden associated with this task is 875,000 hours. To the extent dealers are able to integrate this process into other activities performed in their ordinary course of business, this estimate likely overstates the actual burden.

If negotiations between buyer and seller over warranty coverage produce a sale on terms other than those originally entered on the Buyers Guide, the dealer must revise the Guide to reflect the actual terms of sale. According to the rulemaking record, bargaining over warranty coverage rarely occurs. Allowing for revision in 2% of sales, at two minutes per revision, staff estimates that dealers will spend 20,000 hours annually revising Buyers Guides.

Estimated annual cost burden: 28,250,000 consisting of $19,250,000 in labor costs and $9,000,000 in non-labor costs.

Labor costs: Labor costs are derived by applying appropriate hourly cost figures to the burden hours described above. Staff has determined that all of the tasks associated with ordering forms, entering data on Buyers Guides, posting Buyers Guides on vehicles, and revising them as needed are typically done by clerical or low-level administrative personnel. Using a clerical cost rate $10 per hour and an estimate of 1,925,000 burden hours for disclosure requirements, the total labor cost burden would be approximately $19,250,000.

Capital or other non-labor costs: The cost of the Buyers Guide form itself estimated to be 30 cents per form, so that forms for 30 million vehicles would cost dealers $9,000,000. In making this estimate, staff conservatively assumes that all dealers will purchase preprinted forms instead of producing them internally, although dealers may produce them at minimal expense using current office automation technology. Capital and start-up costs associated with the Rule are minimal.

John D. Graubert, Acting General Counsel.

FEDERAL TRADE COMMISSION

Agency Information Collection Activities; Submission for OMB Review; Comment Request

AGENCY: Federal Trade Commission ("FTC" or "Commission").

ACTION: Notice.

SUMMARY: The Federal Trade Commission (FTC) has submitted to the Office of Management and Budget (OMB) for review under the Paperwork Reduction Act (PRA) information collection requirements contained in its Appliance Labeling Rule ("Rule"), promulgated pursuant to the Energy Policy and Conservation Act of 1975 ("EPCA"). The FTC is seeking public comments on its proposal to extend through September 30, 2004 the current PRA clearance for information collection requirements contained in the Rule. The clearance expires on September 30, 2001.

DATES: Comments must be submitted on or before September 12, 2001.


FOR FURTHER INFORMATION CONTACT: All comments should be captioned "Appliance Labeling Rule Paperwork comment."

SUPPLEMENTARY INFORMATION: Under the PRA (44 U.S.C. 3501–3520), Federal agencies must obtain approval from OMB for each collection of information they conduct or sponsor. On June 1, 2001, the FTC sought comment on the information collection requirements associated with the Appliance Labeling Rule, 16 CFR part 305 (Control Number: 3084–0069). See 66 FR 29807. No comments were received, including with regard to staff’s PRA burden estimates. Pursuant to the OMB regulations that implement the PRA (5 CFR part 1320), the FTC is providing this second opportunity for public comment while seeking OMB approval to extend the existing paperwork clearance for the Rule.

The Rule establishes testing, reporting, recordkeeping, and labeling requirements for manufacturers of major household appliances (refrigerators, refrigerator-freezers, freezers, water heaters, clothes washers, dishwashers, room air conditioners, furnaces, central air conditioners, heat pumps, pool heaters, certain lighting products, and certain plumbing products). The requirements relate specifically to the disclosure of information relating to energy consumption and water usage. The Rule’s testing and disclosure requirements enable consumers purchasing appliances to compare the energy use or efficiency of competing models. In addition, EPCA and the Rule require manufacturers to submit relevant data to the Commission regarding energy or water usage in connection with the products they manufacture. The Commission uses this data to compile ranges of comparability for covered appliances for publication in the Federal Register. These submissions, along with required records for testing data, may also be used in enforcement actions involving alleged misstatement on labels or in advertisements.

Burden Statement

Estimated annual hours burden: 445,000 hours

The estimated hours burden imposed by section 324 of EPCA and the Commission’s Rule include burdens for testing (338,292 hours); reporting (1,324 hours); recordkeeping (767 hours); labeling (101,333 hours); and retail catalog disclosures (2,550 hours). The total burden for these activities is 445,000 hours (rounded to the nearest thousand). This estimate is lower than previous estimates because of revised assumptions regarding the number of basic models subjected to FTC-required testing each year (see discussion below).

The following estimates of the time needed to comply with the requirements of the Rule are based on census data, Department of Energy figures and estimates, general knowledge of manufacturing practices, and industry input and figures. Because compliance burden falls almost on manufacturers and importers (with a de minimis burden for retailers), burden estimates are calculated on the basis of the number of domestic manufacturers and/or the number of units shipped domestically in the various product categories.

A. Testing

Under the Rule, manufacturers of covered products must test each basic model they produce to determine energy...
usage (or, in the case of plumbing fixtures, water consumption). The burden imposed by this requirement is determined by the number of basic models produced, the average number of units tested per model, and the time required to conduct the applicable test. Manufacturers need not subject each basic model to testing annually; they must retest only if the product design changes in such way as to affect energy consumption. Previously, staff based its burden estimate on the assumption that manufacturers generally test each model at least once a year. Staff then conservatively assumed that this annual testing meant that all basic models were either replaced or subject to design changes during the year that necessitated testing under the Rule. Based on input from industry representatives for most manufacturer categories, however, staff now believes that the frequency with which models are tested every year ranges roughly between 10% and 50% and that the actual percentage of basic models tested varies by appliance category. In addition, it is likely that only a small portion of the tests conducted is attributable to the Rule’s requirements. Given the lack of specific data on this point, staff will conservatively assume that all of the tests conducted are attributable to the Rule’s requirements and will use the high end of the range noted above. Accordingly, the burden estimates are based on the assumption that 50% of all basic models are tested annually. Thus, the estimated testing burden for the various categories of products covered by the Rule is as follows:

<table>
<thead>
<tr>
<th>Category of manufacturer</th>
<th>Number of basic models</th>
<th>Percentage of models tested</th>
<th>Avg. number of units tested per model</th>
<th>Labor hours per unit tested</th>
<th>Total annual testing burden hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refrigerators, Refrigerator-freezers, and Freezers</td>
<td>3,075</td>
<td>50</td>
<td>2</td>
<td>4</td>
<td>12,300</td>
</tr>
<tr>
<td>Dishwashers</td>
<td>393</td>
<td>50</td>
<td>2</td>
<td>2</td>
<td>393</td>
</tr>
<tr>
<td>Clothes washers</td>
<td>500</td>
<td>50</td>
<td>2</td>
<td>2</td>
<td>1,000</td>
</tr>
<tr>
<td>Water heaters</td>
<td>650</td>
<td>50</td>
<td>2</td>
<td>24</td>
<td>15,600</td>
</tr>
<tr>
<td>Room air conditioners</td>
<td>1,092</td>
<td>50</td>
<td>2</td>
<td>8</td>
<td>8,736</td>
</tr>
<tr>
<td>Furnaces</td>
<td>1,900</td>
<td>50</td>
<td>2</td>
<td>8</td>
<td>15,200</td>
</tr>
<tr>
<td>Central A/C</td>
<td>1,270</td>
<td>50</td>
<td>2</td>
<td>24</td>
<td>30,480</td>
</tr>
<tr>
<td>Heat pumps</td>
<td>903</td>
<td>50</td>
<td>2</td>
<td>72</td>
<td>65,016</td>
</tr>
<tr>
<td>Pool heaters</td>
<td>250</td>
<td>50</td>
<td>2</td>
<td>12</td>
<td>3,000</td>
</tr>
<tr>
<td>Fluorescent lamp ballasts</td>
<td>975</td>
<td>50</td>
<td>4</td>
<td>3</td>
<td>5,850</td>
</tr>
<tr>
<td>Lamp products</td>
<td>2,100</td>
<td>50</td>
<td>12</td>
<td>14</td>
<td>176,400</td>
</tr>
<tr>
<td>Plumbing fittings</td>
<td>1,700</td>
<td>50</td>
<td>2</td>
<td>2</td>
<td>3,400</td>
</tr>
<tr>
<td>Plumbing fixtures</td>
<td>22,000</td>
<td>50</td>
<td>1</td>
<td>0.0033</td>
<td>161</td>
</tr>
</tbody>
</table>

338,292

B. Reporting

Reporting burden estimates are based on information from industry representatives. Manufacturers of some products, such as appliances and HVAC equipment (furnaces, boilers, central air conditioners, and heat pumps), indicate that, for them, the reporting burden is best measured by the estimated time required to report on each model manufactured, while others, such as makers of fluorescent lamp ballasts and lamp products, state that an estimated number of annual burden hours by manufacturer is a more meaningful way to measure. The figures below reflect these different methodologies as well as the varied burden hour estimates provided by manufacturers of the different product categories that use the latter methodology.

Appliances, HVAC Equipment, and Pool Heaters

Staff estimates that the average reporting burden for these manufacturers is approximately two minutes per basic model. Based on this estimate, multiplied by a total of 10,033 basic models of these products, the annual reporting burden for the appliance, HVAC equipment, and pool heater industry is an estimated 334 hours (2 minutes × 10,033 models ÷ 60 minutes per hour).

Fluorescent Lamp Ballasts, Lamp Products, and Plumbing Products

The total annual reporting burden for manufacturers of fluorescent lamp ballasts, lamp products, and plumbing products is based on the estimated average annual burden for each category of manufacturers, multiplied by the number of manufacturers in each respective category, as shown below:

<table>
<thead>
<tr>
<th>Category of manufacturer</th>
<th>Annual burden hours per manufacturer</th>
<th>Number of manufacturers</th>
<th>Total annual reporting burden hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fluorescent lamp ballasts</td>
<td>6</td>
<td>20</td>
<td>120</td>
</tr>
<tr>
<td>Lamp products</td>
<td>15</td>
<td>50</td>
<td>750</td>
</tr>
<tr>
<td>Plumbing products</td>
<td>1</td>
<td>120</td>
<td>120</td>
</tr>
</tbody>
</table>

Total Reporting Burden Hours

The total reporting burden for industries covered by the Rule is 1,324 hours annually (334+120+750+120).

C. Recordkeeping

EPCA and the Appliance Labeling Rule require manufacturers to keep records of the test data generated in performing the tests to derive information included on labels and required by the Rule. As with reporting, burden is calculated by number of models for appliances, HVAC equipment, and pool heaters, and by number of manufacturers for fluorescent lamp ballasts, lamp products, and plumbing products.

Appliances, HVAC Equipment, and Pool Heaters

The recordkeeping burden for manufacturers of appliances, HVAC equipment, and pool heaters varies
directly with the number of tests performed. Staff estimates total recordkeeping burden to be approximately 167 hours for these manufacturers, based on an estimated average of one minute per record stored (whether in electronic or paper format), multiplied by 10,033 tests performed annually (1 × 10,033 ÷ 60 minutes per hour).³

Fluorescent Lamp Ballasts, Lamp Products, and Plumbing Products

The total annual recordkeeping burden for manufacturers of fluorescent lamp ballasts, lamp products, and plumbing products is based on the estimated average annual burden for each category of manufacturers (derived from industry sources), multiplied by the number of manufacturers in each respective category, as shown above:

<table>
<thead>
<tr>
<th>Category of manufacturer</th>
<th>Annual burden hours per manufacturer</th>
<th>Number of manufacturers</th>
<th>Total annual recordkeeping burden hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fluorescent lamp ballasts</td>
<td>2</td>
<td>20</td>
<td>40</td>
</tr>
<tr>
<td>Lamp products</td>
<td>10</td>
<td>50</td>
<td>500</td>
</tr>
<tr>
<td>Plumbing products</td>
<td>.5</td>
<td>120</td>
<td>60</td>
</tr>
</tbody>
</table>

Total Recordkeeping Burden Hours

The total recordkeeping burden for industries covered by the Rule is 767 hours annually (167+40+500+60).

D. Labeling

EPCA and the Rule require that manufacturers of covered products provide certain information to consumers, through labels, fact sheets, or permanent markings on the products. The burden imposed by this requirement consists of (1) the time needed to prepare the information to be provided, and (2) the time needed to provide it, in whatever form, with the product. The applicable burden for each category of products is described below:

Appliances, HVAC Equipment, and Pool Heaters

EPCA and the Rule specify the content, format, and specifications for the required labels, so manufacturers need only add the energy consumption figures derived from testing. In addition, most larger companies use automation to generate labels, and the labels do not change from year to year. Given these considerations, staff estimates that the time to prepare labels for appliances, HVAC equipment, and pool heaters is 83,522 hours [six (seconds) × 50,113,098 (the number of total products shipped in 2000) divided by 3,600 (seconds per hour)].

The Rule also requires that HVAC equipment manufacturers disclose energy usage information on a separate fact sheet or in an approved industry-prepared directory of products. Staff has estimated the preparation of these fact sheets requires approximately 30 minutes per basic model. Manufacturers producing at least 95 percent of the affected equipment, however, are members of trade associations that produce approved directories (in connection with their certification programs independent of the rule) that satisfy the fact sheet requirement. Thus, the drafting burden for fact sheets for HVAC equipment is approximately 102 hours annually [4,073 (all basic models) × .5 hours × .05 (proportion of equipment for which fact sheets are required)].

The Rule allows manufacturers to prepare a directory containing fact sheet information for each retail establishment long as there is a fact sheet for each basic model sold. Assuming that six HVAC manufacturers (i.e., approximately 5% of HVAC manufacturers), produce fact sheets instead of having required information shown in industry directories, and each spends approximately 16 hours per year distributing the fact sheets to retailers and in response to occasional consumer requests, the total time attributable to this activity would also be approximately 96 hours.

The total annual labeling burden for appliances, HVAC equipment, and pool heaters is 668 hours for preparation plus 83,522 hours for affixing, or 84,191 hours. The total annual fact sheet burden is 102 hours for preparation and 96 hours for distribution, or 198 hours. The total annual burden for labels and fact sheets for the appliance, HVAC, and pool heater industries is, therefore, estimated to be 84,389 hours (84,191+198).

Fluorescent Lamp Ballasts

The statute and the Rule require that labels for fluorescent lamp ballasts contain an “E” within a circle. Since manufacturers label these ballasts in the ordinary course of business, the only impact of the Rule is to require manufacturers to reformat their labels to include the “E” symbol. Thus, the burden imposed by the Rule for labeling fluorescent lamp ballasts is minimal.

Lamp Products

The burden attributable to labeling lamp products is also minimal, for similar reasons. The Rule requires certain disclosures on packaging for lamp products. Since manufacturers were already disclosing the substantive information required under the Rule prior to its implementation, the practical effect of the Rule was to require that manufacturers redesign packaging materials to ensure they include the disclosures in the manner and form prescribed by the Rule. Because this effort is now complete, there is no ongoing labeling burden imposed by the Rule for lamp products.

Plumbing Products

The statute and the Rule require that manufacturers disclose the water flow rate for plumbing fixtures. Manufacturers may accomplish this disclosure by attaching a label to the product, through permanent markings imprinted on the product as part of the manufacturing process, or by including

³The amount of annual tests performed is derived by multiplying the number of basic models within the relevant product categories by the average number of units tested per model within each category (the underlying information may be drawn from the table in Section A).

³These associations include the Air-Conditioning and Refrigeration Institute, the Gas appliance Manufacturers Association, and the Hydronics Institute.
the required information on packaging material for the product. While some methods might impose little or no additional incremental time burden and cost on the manufacturer, other methods (such as affixing labels) could. Thus, staff estimate an overall blended average burden associated with this disclosure requirement of one second per unit sold. Staff also estimates that there are approximately 9,000,000 covered fixtures and 52,000,000 fittings sold annually in the country. Therefore, the estimated annual burden to label plumbing products is 16,944 hours (61,000,000 units) × 1 (seconds) ÷ 3,600 (seconds per hour).

Total Burden for Labeling

The total labeling burden for all industries covered by the Rule is 100,333 hours (84,389 + 16,944) annually.

E. Retail Sales Catalogs Disclosures

The Rule requires that sellers offering covered products through retail sales catalogs (i.e., those publications from which a consumer can actually order merchandise) disclose in the catalog energy (or water) consumption for each covered product. Because this information is supplied by the product manufacturers, the burden on the retailer consists of incorporating the information into the catalog presentation.

In the past, staff has estimated that there are 100 sellers who offer covered products through paper retail catalogs. While the Rule initially imposed a burden on catalog sellers by requiring that they draft disclosures and incorporate them into the layouts of their catalogs, paper catalog sellers now have substantial experience with the Rule and its requirements. Energy and water consumption information has obvious relevance to consumers, so sellers are likely to disclose much of the required information with or without the Rule. Accordingly, given the small number of catalog sellers, their experience with incorporating energy and water consumption data into their catalogs, and the likelihood that many of the required disclosures would be made in the ordinary course of business, staff believes that any incremental burden the Rule imposes on these paper catalog sellers would be minimal.

Staff estimates that there are an additional 150 new online sellers of covered products who are subject to the Rule’s catalog disclosure requirements. Many of these sellers may not have the experience the paper catalog sellers have in incorporating energy and water consumption data into their catalogs. Staff estimates that these online sellers each require approximately 17 hours per year to incorporate the data into their online catalogs. This estimate is based on the assumption that entry of the required information takes 1 minute per covered product and an assumption that the average online catalog contains approximately 1,000 covered products (based on a sampling of websites of affected retailers). Given that there is a great variety among sellers in the volume of products they offer online, it is very difficult to estimate such volume with precision. In addition, this analysis assumes that information for all 1,000 products is entered into the catalog. This is a conservative assumption because the number of incremental additions to the catalog from year to year is likely to be much lower after initial start-up efforts have been completed. The total catalog disclosure burden for all industries covered by the Rule is 2,550 hours (150 sellers × 17 hours annually.

Estimated annual cost burden: ($7,826,750 in labor costs and $3,519,422 in capital or other non-labor costs)

Labor Costs: Staff derived labor costs by applying appropriate estimated hourly cost figures to the burden hours described above. In calculating the cost figures, staff assumes that test procedures are conducted by skilled technical personnel at an hourly rate of $20.00, and that recordkeeping and reporting, and labeling, marking, and preparation of facts sheets, generally are performed by clerical personnel at an hourly rate of $10.00.

Based on the above estimates and assumptions, the total annual labor costs for the five different categories of burden under the Rule, applied to all the products covered by it, is $7,827,000 (rounded to the nearest thousand), derived as follows:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Burden hours per year</th>
<th>Wage category/hourly rate</th>
<th>Total annual labor cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Testing</td>
<td>338,292</td>
<td>Skilled clerical/$20</td>
<td>$6,765,840</td>
</tr>
<tr>
<td>Reporting</td>
<td>1,324</td>
<td>Clerical/$10</td>
<td>13,240</td>
</tr>
<tr>
<td>Recordkeeping</td>
<td>934</td>
<td>Clerical/$10</td>
<td>9,340</td>
</tr>
<tr>
<td>Labeling, marking, and fact sheet preparation</td>
<td>101,333</td>
<td>Clerical/$10</td>
<td>1,013,330</td>
</tr>
<tr>
<td>Catalog disclosures</td>
<td>2,550</td>
<td>Clerical/$10</td>
<td>25,500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,827,250</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Capital or Other Non-Labor Costs:**
$3,519,000 (rounded), determined as follows:

Staff has examined the five distinct burdens imposed by EPCA through the Rule—testing, reporting, recordkeeping, labeling, and retail catalog disclosures—as they affect the 11 groups of products that the Rule covers. Staff concludes that there are no current start-up costs associated with the Rule. Manufacturers have in place the capital equipment necessary—especially equipment to measure energy and/or water usage—to comply with the Rule.

Under this analysis, testing, recordkeeping, and retail catalog disclosures are activities that incur no capital or other non-labor costs. As mentioned above, testing has been performed in these industries in the normal course of business for many years as has the associated recordkeeping. The same is so for regarding compliance applicable to the requirements for paper catalogs. Manufacturers and retailers who make required disclosures in catalogs already are producing catalogs in the ordinary course of their businesses; accordingly, capital cost associated with such disclosure would be minimal or nil.

Staff recognizes that there may be initial costs associated with posting online disclosure, and it invites further comment to reasonably quantify such costs.

Manufacturers that submit required reports to the Commission directly (rather than through trade associations) incur some nominal costs for paper and postage. Staff estimates that these costs do not exceed $2,500. Manufacturers must also incur the cost of procuring labels and fact sheets used in compliance with the Rule. Based on estimates of 50,113,098 units shipped...
and 128,650 fact sheets prepared, at an
average cost of seven cents for each
label or fact sheet, the total (rounded)
labeling cost is $3,516,922.

The total cost for labeling, marking,
and preparing fact sheets for all
industries covered by the Rule is,
therefore, $3,519,422 annually
($43,516,922 + $2,500), rounded to
$3,519,000.

John D. Graubert,
Acting General Counsel.

[FR Doc. 01–20277 Filed 8–10–01; 8:45 am]
BILLING CODE 6750–01–M

FEDERAL TRADE COMMISSION

Agency Information Collection Activities: Submission for OMB Review; Comment Request

AGENCY: Federal Trade Commission ("FTC" or "Commission").

ACTION: Notice.

SUMMARY: The Federal Trade
Commission (FTC) has submitted to the
Office of Management and Budget
(OMB) for review under the Paperwork
Reduction Act (PRA) information
collection requirements contained in (1)
the Rule Concerning Disclosure of
Written Consumer Product Warranty
Terms and Conditions; (2) the Rule
Governing Pre-Sale Availability of
Written Warranty Terms; and (3) the
Informal Dispute Settlement Procedures
Rule (collectively, "Warranty Rules").
The FTC is seeking public comments
on its proposal to extend through
September 30, 2004 the current PRA
clearance for these information
collection requirements. These
clearances expire on September 30,

DATES: Comments must be submitted on
or before September 12, 2001.

ADDRESS: Send comments to the
Office of Information and Regulatory
Affairs, Office of Management and
Budget, New Executive Office Building,
Room 10202, Washington, DC 20503,

Attn.: Desk Officer for the Federal Trade
Commission, and to Secretary, Federal
Trade Commission, Room H–159, 600
Pennsylvania Ave., NW., Washington,
DC 20580. All comments should be
captioned "Warranty Rules: Paperwork
comment."

FURTHER INFORMATION CONTACT:
Requests for additional information or
copies of the proposed information
requirements should be addressed to
Carole Danielson, Investigator, Division
of Marketing Practices, Bureau of
Consumer Protection, Federal Trade
Commission, Room H–238, 600
Pennsylvania Ave., NW., Washington,
DC 20580. (202) 326–3115.

SUPPLEMENTARY INFORMATION: Under
the PRA (44 U.S.C. 3501–3520), Federal
agencies must obtain approval from
OMB for each collection of information
they conduct or sponsor. On May 31,
2001, the FTC sought comment on the
information collection requirements
associated with the Warranty Rules, 16
CFR parts 701, 702, and 703 (OMB
Control Numbers 3084–0111, 3084–
0112, and 3084–0113, respectively). See
66 FR 29571. No comments were
received.

The Warranty Rules implement the
Magnuson-Moss Warranty Act, 15
U.S.C. 2301 et seq. ("the Act"), which
governs written warranties on consumer
products. The Act directed the FTC to
promulgate rules regarding the
disclosure of written warranty terms
and conditions, rules requiring that the
terms of any written warranty on a
consumer product be made available to
the prospective purchaser before the
sale of the product, and rules
establishing minimum standards for
informal dispute settlement mechanisms
that are incorporated into a
warranty. Pursuant to the Act, the
Commission published the instant
three rules.

Consumer Product Warranty Rule
("Warranty Rule")

The Warranty Rule specifies the
information that must appear in a
written warranty on a consumer
product. It sets forth what warrantors
must disclose about the terms and
conditions of the written warranties
they offer on consumer products that
cost the consumer more than $15.00.
The Rule tracks the disclosure
requirements suggested in section
102(a) of the Act, specifying information
that must appear in the written warranty
and, for certain disclosures, mandates
the exact language that must be used.

The Warranty Rule requires that the
information be conspicuously disclosed
in a single document in simple, easily
understood language. In promulgating
this rule, the Commission determined
that the items required to be disclosed
are material facts about product
warranties, the non-disclosure of which
would be deceptive or misleading.

The Rule Governing Pre-Sale
Availability of Written Warranty Terms
("Pre-Sale Availability Rule")

In accordance with section
102(b)(1)(A) of the Act, the Pre-Sale
Availability Rule establishes
requirements for sellers and warrantors
to make the text of any written warranty
on a consumer product available to the
consumer before sale. Following the
Rule’s original promulgation, the
Commission amended it to provide
sellers with greater flexibility in how to
make warranty information available.

Among other things the amended
Rule requires sellers to make the text of
the warranty readily available either by
(1) displaying in close proximity to the
product or (2) furnishing it on request
and posting signs in prominent
locations advising consumers that the
warranty is available. The Rule requires
warrantors to provide materials to
enable sellers to comply with the Rule’s
requirements, and also sets out the
methods by which warranty information
can be made available before the sale
if the product is sold through catalogs,
mail order, or door-to-door sales.

Informal Dispute Settlement Rule
("Informal Dispute Settlement Rule")

This rule specifies the minimum
standards that must be met by any
informal dispute settlement mechanism
incorporated into a written consumer
product warranty and that the consumer
must use before pursuing legal remedies
in court. In enacting the Warranty Act,
Congress recognized the potential
benefits of consumer dispute
mechanisms as an alternative to the
judicial process. Section 110(a) of the
Act, 15 U.S.C. 2310(a), sets out the
Congressional policy to “encourage
warrantors to establish procedures
whereby consumer disputes are fairly
and expeditiously settled through
informal dispute settlement mechanisms”
("IDSMs") and erected a framework for their establishment. As
an incentive to warrantors to establish
IDSMs. Congress provided in section
warrantors may incorporate into their
written consumer product warranties a


3 The units shipped total is based on combined
actual or estimated industry figures for calendar
year 2000 across all of the product categories,
except for fluorescent lamp ballasts, lamp products,
and plumbing products. Staff has determined that,
they offer on consumer products that
conditions of the written warranties
must disclose about the terms and

conditions, rules requiring that the
terms of any written warranty on a
consumer product be made available to
the prospective purchaser before the
sale of the product, and rules
establishing minimum standards for
informal dispute settlement mechanisms
that are incorporated into a
warranty. Pursuant to the Act, the
Commission published the instant
three rules.1

Consumer Product Warranty Rule
("Warranty Rule")

The Warranty Rule specifies the
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product. It sets forth what warrantors
must disclose about the terms and
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they offer on consumer products that
cost the consumer more than $15.00.
The Rule tracks the disclosure
requirements suggested in section
102(a) of the Act, specifying information
that must appear in the written warranty
and, for certain disclosures, mandates
the exact language that must be used.

The Warranty Rule requires that the
information be conspicuously disclosed
in a single document in simple, easily
understood language. In promulgating
this rule, the Commission determined
that the items required to be disclosed
are material facts about product
warranties, the non-disclosure of which
would be deceptive or misleading.

The Rule Governing Pre-Sale
Availability of Written Warranty Terms
("Pre-Sale Availability Rule")

In accordance with section
102(b)(1)(A) of the Act, the Pre-Sale
Availability Rule establishes
requirements for sellers and warrantors
to make the text of any written warranty
on a consumer product available to the
consumer before sale. Following the
Rule’s original promulgation, the
Commission amended it to provide
sellers with greater flexibility in how to
make warranty information available.

Among other things the amended
Rule requires sellers to make the text of
the warranty readily available either by
(1) displaying in close proximity to the
product or (2) furnishing it on request
and posting signs in prominent
locations advising consumers that the
warranty is available. The Rule requires
warrantors to provide materials to
enable sellers to comply with the Rule’s
requirements, and also sets out the
methods by which warranty information
can be made available before the sale
if the product is sold through catalogs,
mail order, or door-to-door sales.

Informal Dispute Settlement Rule
("Informal Dispute Settlement Rule")

This rule specifies the minimum
standards that must be met by any
informal dispute settlement mechanism
incorporated into a written consumer
product warranty and that the consumer
must use before pursuing legal remedies
in court. In enacting the Warranty Act,
Congress recognized the potential
benefits of consumer dispute
mechanisms as an alternative to the
judicial process. Section 110(a) of the
Act, 15 U.S.C. 2310(a), sets out the
Congressional policy to “encourage
warrantors to establish procedures
whereby consumer disputes are fairly
and expeditiously settled through
informal dispute settlement mechanisms”
("IDSMs") and erected a framework for their establishment. As
an incentive to warrantors to establish
IDSMs. Congress provided in section
warrantors may incorporate into their
written consumer product warranties a

4 FR 60168 (December 31, 1975).

52 FR 7569 (March 12, 1987).