

# Proposed Rules

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This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

## FEDERAL TRADE COMMISSION

### 16 CFR Part 309

#### Labeling Requirements for Alternative Fuels and Alternative Fueled Vehicles

**AGENCY:** Federal Trade Commission.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** The Federal Trade Commission ("Commission" or "FTC") is commencing a rulemaking proceeding to amend the alternative fueled vehicle ("AFV") label specified in the Commission's rule concerning Labeling Requirements for Alternative Fuels and Alternative Fueled Vehicles ("Rule"). The Commission proposes amending the Rule's AFV label for new vehicles by either updating or deleting the Environmental Protection Agency ("EPA") emission certification standards the Rule requires be disclosed, and by adding a reference to EPA's green vehicle guide. EPA's guide, located on its website at <http://www.epa.gov/greenvehicle>, provides detailed information regarding vehicle emissions generally and by vehicle model. The Commission is commencing this rulemaking proceeding because the emissions standards on the current AFV label will be obsolete starting in the 2004 vehicle model year, and the Ford Motor Company ("Ford") has petitioned the Commission to revise the label in light of this. In this proceeding, the Commission also is conducting a review of this Rule pursuant to the Commission's regulatory review program. The notice includes a description of the procedures to be followed, an invitation to submit written comments, and questions and issues upon which the Commission particularly desires comments.

**DATES:** Written comments must be submitted on or before June 23, 2003.

**ADDRESSES:** Six paper copies of each written comment should be submitted to the Office of the Secretary, Federal Trade Commission, Room H-159, 600 Pennsylvania Ave., NW., Washington, DC 20580. To encourage prompt and

efficient review and dissemination of the comments to the public, all comments also should be submitted, if possible, in electronic form, on either a 5¼ or a 3½ inch computer disk, with a label on the disk stating the name of the commenter and the name and version of the word processing program used to create the document. (Programs based on DOS are preferred. Files from other operating systems should be submitted in ASCII text format to be accepted.)

Alternatively, the Commission will accept papers and comments submitted to the following email address: [afv@ftc.gov](mailto:afv@ftc.gov), provided the content of any papers or comments submitted by email is organized in sequentially numbered paragraphs. All comments and any electronic versions (*i.e.*, computer disks) should be identified as "16 CFR Part 309 Comment—Alternative Fuels and Vehicles Rule. The Commission will make this notice and, to the extent possible, all papers and comments received in electronic form in response to this notice available to the public through the Internet at the following address: <http://www.ftc.gov>.

**FOR FURTHER INFORMATION CONTACT:** Robin Richardson, Attorney, (202) 326-2798 (email: [rrichardson@ftc.gov](mailto:rrichardson@ftc.gov)), or Neil Blickman, Attorney, (202) 326-3038 (email: [nblickman@ftc.gov](mailto:nblickman@ftc.gov)), Division of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, Washington, DC 20580.

#### SUPPLEMENTARY INFORMATION:

##### Part A—Background

This Notice of Proposed Rulemaking ("NPR") is being published pursuant to the provisions of Part 1, Subpart C of the Commission's Rules of Practice, 16 CFR 1.21-1.26, and 5 U.S.C. 551 *et seq.* Specifically, this rulemaking proceeding is being conducted pursuant to section 553 of the Administrative Procedure Act ("APA"), 5 U.S.C. 553, as was the original proceeding promulgating the Rule.<sup>1</sup> Section 553(b)(3) of the APA provides the Commission with the option of publishing the substance of a proposed rule instead of specific

proposed rule language. The Commission seeks comment on the substance of proposed amendments to the Rule. The Commission also seeks comment on whether other options not proposed herein would be more appropriate.

##### 1. The Rule

The Energy Policy Act of 1992 ("EPA 92" or the "Act"),<sup>2</sup> establishes a comprehensive national energy policy to increase gradually and steadily U.S. energy security in cost-effective and environmentally beneficial ways. The Act seeks to reduce U.S. dependence on oil imports, encourage conservation and more efficient energy use, reduce the use of oil-based fuels in the motor vehicle sector, and provide new energy options. The Act provides for programs that encourage the development of alternative fuels and alternative fueled vehicles.

Section 406(a) of EPA 92 directed the Commission to establish uniform labeling requirements, to the greatest extent practicable, for alternative fuels and AFVs.<sup>3</sup> In accordance with the statutory directive, on May 19, 1995, the Commission published a Rule requiring disclosure of specific information on labels posted on fuel dispensers for non-liquid alternative fuels (*e.g.*, compressed natural gas, electricity, and hydrogen), effective August 21, 1995, and on labels on AFVs, effective November 20, 1995.<sup>4</sup>

EPA 92 did not specify what information should be displayed on these labels. Instead, it provided generally that the Commission's rule must require disclosure of "appropriate," "useful," and "timely" cost and benefit information on "simple" labels. The purpose of the labeling requirements is to enable consumers to make informed choices and comparisons among competing non-liquid alternative vehicle fuels and AFVs.

Section 309.20 of the Rule provides that before offering for consumer sale a new covered AFV, manufacturers must affix, on a visible surface of each such vehicle, a label consisting of three

<sup>1</sup> See 59 FR 24014 (May 9, 1994). These procedures include: (1) Publishing this Notice of Proposed Rulemaking; (2) soliciting written comments on the Commission's proposals to amend the Rule; (3) obtaining a final recommendation from staff; and (4) announcing final Commission action in a notice published in the **Federal Register**.

<sup>2</sup> Pub. L. 102-486, 106 Stat. 2776 (1992).

<sup>3</sup> 42 U.S.C. 13232(a).

<sup>4</sup> 60 FR 26926. The Rule also requires that sellers maintain records substantiating product-specific disclosures they include on these labels.