

# 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 228

#### Tire Advertising and Labeling Guides

**AGENCY:** Federal Trade Commission.

**ACTION:** Request for public comments.

**SUMMARY:** The Federal Trade Commission ("Commission") requests public comments about the overall costs and benefits of and the continuing need for its Tire Advertising and Labeling Guides ("the Tire Guides" or "the Guides"), as part of the Commission's systematic review of all current Commission regulations and guides.

**DATES:** Written comments will be accepted until October 24, 2003.

**ADDRESSES:** Mailed comments should be directed to: Secretary, Federal Trade Commission, Room H-159, 600 Pennsylvania Ave., NW., Washington, DC 20580. Mailed comments should be identified as "Tire Guides, 16 CFR Part 228—Comment." E-mail comments will be accepted at [tireguides@ftc.gov]. Those who comment by e-mail should give a mailing address to which an acknowledgment can be sent.

**FOR FURTHER INFORMATION CONTACT:** David Plottner, Investigator, Federal Trade Commission, 1111 Superior Avenue, Suite 200, Cleveland, Ohio 44114, telephone number (216) 263-3409, E-mail [dplottner@ftc.gov].

#### SUPPLEMENTARY INFORMATION:

#### I. Tire Advertising and Labeling Guides

The Commission first promulgated Trade Practice Rules for the Tire Industry in 1936. It discarded those Rules as obsolete and adopted new regulations in 1958. Subsequently, those regulations were folded into complete Guides that became effective in January 1968. These 1968 Guides were revised slightly in 1994, with the addition of a provision regarding retreaded tires. Otherwise the 1968 Guides have remained unchanged.

Commission Guides, generally, constitute administrative interpretations

of Commission law and are administered by the Commission for the guidance of the public in conducting its affairs in conformity with legal requirements. Conduct inconsistent with the Guides may result in corrective action by the Commission under applicable statutory provisions.

The Tire Guides cover tires for use on "passenger automobiles, station wagons, and similar vehicles." They apply to manufacturers of new vehicles, on which these tires are provided as original equipment, and to those who manufacture, sell, distribute, or retread tires. The Tire Guides address labeling, both permanent and removable; advertising, including specific triggering terminology, performance claims, deceptive pricing claims, and guarantee advertising; point-of-sale disclosures regarding use, care and safety; and disclosures relating to used, retreaded tires and snow tires.

#### II. Regulatory Review Program

The Commission has determined, as part of its oversight responsibilities, to review rules and guides periodically. These reviews seek information about the costs and benefits of the Commission's rules and guides and their regulatory and economic impact. The information obtained assists the Commission in identifying rules and guides that warrant modification or rescission. The Commission solicits comments on, among other things, the economic impact of and the continuing need for the Tire Guides; possible conflict between the Guides and state, local, or other federal laws; and the effect of any technological, economic, or other industry changes on the Guides.

#### III. Request for Comment

The Commission solicits written public comments on the following questions:

(1) Is there a continuing need for the Tire Guides?

(a) What benefits have the Guides provided to purchasers of the products affected by the Guides?

(b) Have the Guides imposed costs on purchasers?

(c) How prevalent and widespread is voluntary compliance with the Guides?

(d) Have other Federal regulatory initiatives rendered the Guides unnecessary?

(2) What changes, if any, should be made to the Guides to increase the benefits of the Guides to purchasers?

(a) How would these changes affect the costs the Guides impose on firms following their suggestions?

(b) How would these changes affect the benefits to purchasers?

(3) What significant burdens or costs, including costs of compliance, have the Guides imposed on firms following their suggestions?

(a) Have the Guides provided benefits to such firms? If so, what benefits?

(4) What changes, if any, should be made to the Guides to reduce the burdens or costs imposed on firms following their suggestions?

(a) How would these changes affect the benefits provided by the Guides?

(5) Do the Guides overlap or conflict with other Federal, state, or local laws or regulations?

(a) To what extent has/will NHTSA tire safety regulations and tire quality grading standards regulations [49 CFR 567, 571, 574, 575, and 597] including those required by the Transportation Recall Enhancement, Accountability, and Documentation (TREAD) Act of 2000, Pub. L. 106—414 supersede the need for this Guide or parts of this Guide?

(b) To what extent has the Magnuson-Moss Warranty Act, 15 U.S.C. 2301 *et seq.*, and regulations promulgated pursuant to the Act, found at 16 CFR Parts 700–703 and Part 239, superseded the need for the Guides or parts of the Guides?

(c) Have state consumer protection laws or regulations governing tires, tire safety, tire price advertising, tire disposal, retreading, or snow tires affected the need for the Guides or parts of the Guides?

(6) Since 1968 when the main provisions of the Guides were issued, what effects, if any, have the following changes in relevant technology or economic conditions had on the Guides:

(a) The recent increased sales of pickup trucks, sport utility vehicles, and similar new vehicles, the tires of which may not be covered by the Guides?

(b) The shift to radial tires (as opposed to the bias-ply tires popular when the Guides were issued) in today's tire market?

(c) Changes in tire distribution or sales, including use of E-mail, the Internet, Internet advertising or CD-ROM advertising.