

**FEDERAL TRADE COMMISSION
16 CFR Part 432**

**Trade Regulation Rule Relating to
Power Output Claims for Amplifiers
Utilized in Home Entertainment Products**

AGENCY: Federal Trade Commission.

ACTION: Supplemental notice of proposed rulemaking: Termination of rulemaking.

SUMMARY: The Federal Trade Commission (“FTC” or “Commission”) has completed its review, pursuant to a supplemental notice of proposed rulemaking (“SNPR”), of the testing procedures for multichannel “home theater” amplifiers under the Trade Regulation Rule Relating to Power Output Claims for Amplifiers Utilized in Home Entertainment Products (“Rule” or “Amplifier Rule”). The Commission has determined not to amend the Rule at this time and to place the Rule on its regular review schedule for 2008 as part of the Commission’s ongoing systematic review of Federal Trade Commission rules and guides. Until the Commission provides further guidance regarding which channels need be associated for purposes of rating multichannel amplifiers, the Commission will not enforce the association requirement of Section 432.2 of the Rule as it relates to the continuous power output per channel ratings for multichannel amplifiers. The Commission, however, will continue to enforce the other provisions of the Rule with regard to multichannel amplifiers.

DATES: This action is effective as of [insert date of publication in the *Federal Register*].

ADDRESSES: Requests for copies of this notice should be sent to the Consumer Response Center, Room 130, Federal Trade Commission, 600 Pennsylvania Ave., NW, Washington, D.C. 20580. The notice also is available on the Internet at the Commission’s website, <http://www.ftc.gov>.

FOR FURTHER INFORMATION CONTACT: Jock Chung, (202) 326-2984, Attorney, Division of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, Washington, D.C. 20580. E-mail: jchung@ftc.gov.

SUPPLEMENTARY INFORMATION:

I. Background

The Amplifier Rule, promulgated in 1974, assists consumers in purchasing power amplification equipment for home entertainment purposes by standardizing the measurement and disclosure of various performance characteristics. The Commission issued the Rule in response to sellers making misleading or confusing power distortion and other performance claims based on differing or unrecognized test procedures. The Rule establishes uniform test standards and disclosures so that consumers can make more meaningful comparisons of amplifier performance attributes.

The present regulatory review began on April 7, 1997 (62 FR 16500). On July 9, 1998, the Commission decided to retain the Rule, concluding that it continued to be valuable both to consumers and businesses (63 FR 37234). At the same time, the Commission issued an advance notice of proposed rulemaking seeking comment on whether the Commission should initiate a rulemaking proceeding to address several technological and marketplace changes raised by industry (63 FR 37238).

On December 22, 2000, the Commission amended the Rule to clarify the testing procedure for self-powered speakers and eliminate or modify certain testing and disclosure requirements that had outlived their usefulness. At the same time, the Commission issued a SNPR soliciting comment on Commission proposals to amend the definition of “associated channels” in connection with the power rating testing of multichannel “home theater” amplifiers. Multichannel amplifiers incorporate five or more discrete or synthesized amplification channels

and are designed to decode and/or amplify digitally encoded multichannel movie soundtracks or music program material recorded in various formats, including videocassette tapes or digital video discs (65 FR 80798). Section 432.2(a) of the Rule requires that an amplifier's continuous power output per channel be "[m]easured with all associated channels fully driven to rated per channel power."¹ Thus, manufacturers of multichannel audio/video receivers and amplifiers must decide which of the five or more discrete channels of amplification are considered "associated" and, therefore, subject to simultaneous operation at full rated power. In the SNPR, the Commission solicited public comment on three alternative designations of "associated channels" for such audio amplifiers.

The SNPR elicited one comment, submitted by the Consumer Electronics Association ("CEA"). CEA noted that there was no industry consensus on testing, measuring, and specifying the power output of multichannel amplifier products. Consequently, CEA formed an industry working group to establish a voluntary industry standard.

On January 15, 2002, the Commission deferred action on the proposed rule but kept the rulemaking record open to allow time for a self-regulatory approach to develop a consensus procedure for the testing of multichannel amplifiers (67 FR 1915). Although CEA issued a standard, designated CEA-490-A, the Commission's review has not found widespread adoption of this standard in advertisements or product specifications, and the Commission is faced with the prospect of making regulatory decisions in a dynamic market based on a less than robust, outdated rulemaking record.²

¹ This continuous measurement represents the maximum per-channel power an amplifier can deliver over a five minute period.

² The dynamic nature of this marketplace is evidenced by the rapid disappearance of two multichannel formats cited in the SNPR, videotapes and laser discs, as well as by the increasing popularity of self-powered speakers containing amplifiers that do not share a common
(continued...)

The Commission, therefore, has determined that it would be in the public interest not to amend the Rule at this time. Instead, the Commission will place the Rule on its regulatory review schedule for 2008 as part of the Commission's ongoing systematic review of Federal Trade Commission rules and guides. At that time, the Commission will solicit comments to garner a more robust, contemporary record from which to determine what, if any, amendments are appropriate to address associated channels in a multi-channel system as well as to gauge the economic impact of, and the continuing need for, the Rule as a whole.

Until the Commission provides further guidance regarding which channels need be associated for purposes of rating multichannel amplifiers, the Commission will not enforce the association requirement of Section 432.2 of the Rule as it relates to the continuous power output per channel ratings for multichannel amplifiers. The Commission, however, will continue to enforce the other provisions of the Rule with regard to multichannel amplifiers.

II. Conclusion

For the reasons described above, the Commission has determined not to amend the Rule at this time.

List of Subjects in 16 CFR Part 432

Amplifiers, Home entertainment products, Trade practices.

Authority: 15 U.S.C. 41-58.

By direction of the Commission.

Donald S. Clark
Secretary

² (...continued)
power supply.