

FEDERAL TRADE COMMISSION**Agency Information Collection Activities; Proposed Collection; Comment Request; Extension**

AGENCY: Federal Trade Commission.

ACTION: Notice.

SUMMARY: The Federal Trade Commission (FTC) is soliciting public comments on the proposed extension of Paperwork Reduction Act clearances for information collection requirements contained in its regulations under the Comprehensive Smokeless Tobacco Health Education Act of 1986 ("Smokeless Tobacco Act" or the "Act"). The Office of Management and Budget (OMB) clearance expires on August 31, 1998. The FTC proposes that OMB extend its approval for the regulation an additional three years through August 31, 2001. The proposed information collection requirements described below will be submitted to OMB for review, as required by the Paperwork Reduction Act.

DATES: Comments must be submitted on or before August 10, 1998.

ADDRESSES: Send written comments to Gary M. Greenfield, Office of the General Counsel, Federal Trade Commission, Washington, D.C. 20580, (202) 326-2753. All comments should be identified as responding to this notice.

FOR FURTHER INFORMATION CONTACT: Requests for additional information or copies of the proposed information requirements should be addressed to Nancy Warder, Attorney, Division of Advertising Practices, Bureau of Consumer Protection, Federal Trade Commission, Washington, D.C. 20580, (202) 326-3048.

SUPPLEMENTARY INFORMATION: Under the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3501-3520), Federal agencies must obtain approval from OMB for each collection of information they conduct or sponsor. "Collection of information" is defined in 44 U.S.C. 3502(3) and 5 CFR 1320.3(c) and includes agency request or requirements that members of the public submit reports, keep records, or provide information to a third party. As required by section 3506(c)(2)(A) of the PRA, the FTC is providing this opportunity for public comment before requesting that OMB extend the existing paperwork clearance for the regulations under the Comprehensive Smokeless Tobacco Health Education Act of 1987 (OMB Control Number 3084-0082).

The FTC invites comments on: (1) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (2) the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used; (3) ways to enhance the quality, utility, and clarity of the information to be collected; and (4) ways to minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses. The FTC will submit the proposed information collection requirements to OMB for review, as required by the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35, as amended).

Description of the collection of information and proposed use: The Smokeless Tobacco Act, 15 U.S.C. 4401-4408, requires, among other things, that manufacturers, packagers, and importers of smokeless tobacco products include health warnings on packages and in advertisements. The Act also requires that each manufacturer, packager, and importer of smokeless tobacco products submit a plan to the Commission specifying the method to rotate, display, and distribute the warning statement required to appear in advertising and labeling. The Commission is required to determine that these plans provide for rotation, display, and distribution of warnings in compliance with the Act and implementing regulations. All the affected companies have previously filed plans, but the plan submission requirement continues to apply to a company that amends its plan, or to a new company that enters the market.

Estimate of information collection annual hourly burden: 1,000 hours (rounded). The FTC is reducing the estimated burden for fourteen smokeless tobacco companies to prepare and submit amended compliance plans from the current estimate of 2,000 hours to 1,000 hours, rounded up from 560. Staff believes the reduced estimate is conservative. Prior burden estimates were based on companies' experience preparing and filing their initial plans. At this stage, however, all affected companies having long ago filed their plans with the Commission (there have been no entrants to the industry since

1986). Additional annual reporting burdens would occur only if these companies opt to change the way they display the warnings required by the Smokeless Tobacco Act.

Although it is not possible to predict whether any of these companies will seek to amend an existing approved plan (and possibly none will), staff conservatively assumes that each company will file one amendment per year. This estimate is conservative because, over the past three years, only one company has submitted an amendment to its plan, excepting required amendments regarding the display of the warnings on point-of-sale and non-point-of-sale promotional items that were included as annual hours in the prior submission pursuant to the Paperwork Reduction Act. This amendment required only 40 hours to prepare, which is considerably less time than individual companies' preparation of their initial plans. Commission staff believes it reasonable to assume that each company would consume approximately that amount of time to prepare an amended plan. Based on these assumptions, the total annual hourly burden should not exceed 1,000 hours (14 companies X 40 hrs. each, rounded to the nearest thousand).

Estimate of information collection annual cost burden: none. The Commission knows of no annual recordkeeping cost burden associated with the plans for the display of the warnings. After the Commission approves the plan for the display of the warnings required by the Smokeless Tobacco Act, the companies are required to make additional submissions to the Commission only if there is a change in the way that they choose to display the warnings. Once the companies have prepared plates to print the required warnings on their labels, there are no additional set-up costs associated with the display of the warnings in labeling. Similarly, once the companies have prepared acetates of the required warnings for advertising and promotional materials, there are no additional set-up costs associated with printing the warnings in those materials. These set-up costs were incurred prior to October 1, 1995.

Debra A. Valentine,

General Counsel.

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