

Commission is not aware of any existing federal laws or regulations that would conflict with repeal of the Rule. For these reasons, the Commission certifies, pursuant to Section 605 of the RFA, 5 U.S.C. 605, that this action will not have a significant economic impact on a substantial number of small entities.

IV. Paperwork Reduction Act

The Fiberglass Curtain Rule does not impose "information collection requirements" under the Paperwork Reduction Act, 44 U.S.C. 3501 *et seq.* Although the Rule contains disclosure requirements, these disclosures are not covered by the Act because the disclosure language is mandatory and provided by the government. Repeal of the Rule, however, would eliminate any burdens on the public imposed by these disclosure requirements.

List of Subjects in 16 CFR Part 413

Fiberglass curtains and curtain fabric, Trade practices.

PART 413—[REMOVED]

The Commission, under authority of Section 18 of the Federal Trade Commission Act, 15 U.S.C. 57a, amends chapter I of title 16 of the Code of Federal Regulations by removing Part 413.

By direction of the Commission.
Donald S. Clark,
Secretary.

[FR Doc. 95-31013 Filed 12-19-95; 8:45 am]

BILLING CODE 6750-01-M

16 CFR Part 418

Trade Regulation Rule Concerning Deceptive Advertising and Labeling as to Length of Extension Ladders

AGENCY: Federal Trade Commission.
ACTION: Repeal of rule.

SUMMARY: The Federal Trade Commission announces the repeal of the Trade Regulation Rule concerning Deceptive Advertising and Labeling as to Length of Extension Ladders. The Commission has reviewed the rulemaking record and determined that due to changes in industry practice, and the existence of standards mandating the point-of-sale disclosures required by the Rule, the Rule no longer serves the public interest and should be repealed. This notice contains a Statement of Basis and Purpose for repeal of the Rule.

EFFECTIVE DATE: December 20, 1995.

ADDRESSES: Requests for copies of the Statement of Basis and Purpose should be sent to Public Reference Branch,

Room 130, Federal Trade Commission, 6th Street & Pennsylvania Avenue N.W., Washington, DC 20580.

FOR FURTHER INFORMATION CONTACT: Neil Blickman, Attorney, Federal Trade Commission, Bureau of Consumer Protection, Division of Enforcement, Washington, DC 20580, (202) 326-3038.

SUPPLEMENTARY INFORMATION:

Statement of Basis and Purpose

I. Background

The Trade Regulation Rule concerning Deceptive Advertising and Labeling as to Length of Extension Ladders (Extension Ladder Rule), 16 CFR Part 418, was promulgated in 1969 (34 FR 929). The Extension Ladder Rule declares that it is an unfair or deceptive act or practice and an unfair method of competition to represent the size or length of an extension ladder in terms of the total length of the component sections thereof unless:

(a) Such size or length representation is accompanied by the words "total length of sections" or words with similar meaning that clearly indicate the basis of the representation; and,

(b) Such size or length representation is accompanied by a statement in close proximity that clearly and conspicuously shows the maximum length of the product when fully extended for use (i.e., excluding the footage lost in overlapping) along with an explanation of the basis for such representation.¹

On May 23, 1995, the Commission published an Advance Notice of Proposed Rulemaking (ANPR) seeking comment on proposed repeal of the Extension Ladder Rule (60 FR 27245). In accordance with Section 18 of the Federal Trade Commission (FTC) Act, 15 U.S.C. 57a, the ANPR was sent to the Chairman of the Committee on Commerce, Science and Transportation, United States Senate, and the Chairman of the Subcommittee on Commerce, Trade and Hazardous Materials, United States House of Representatives. The comment period closed on June 22, 1995. The Commission received no comments.

On September 18, 1995, the Commission published a Notice of Proposed Rulemaking (NPR) initiating a proceeding to consider whether the Extension Ladder Rule should be repealed or remain in effect (60 FR 48075).² This rulemaking proceeding

¹ The Rule then gives an example of proper length representation when the product consists of two ten foot sections: "maximum working length 17', total length of sections 20'" or "17' extension ladder".

² In accordance with Section 18 of the FTC Act, 15 U.S.C. 57a, the Commission submitted the NPR

was undertaken as part of the Commission's ongoing program of evaluating trade regulation rules and industry guides to ascertain their effectiveness, impact, cost and need. This proceeding also responded to President Clinton's National Regulatory Reinvention Initiative, which, among other things, urges agencies to eliminate obsolete or unnecessary regulations. In the NPR, the Commission announced its determination, pursuant to 16 CFR 1.20, the use expedited procedures in this proceeding.³

The comment period closed on October 18, 1995. The Commission received no comments and no requests to hold an informal hearing.

II. Basis for Repeal of Rule

The Commission periodically reviews its rules and guides, seeking information about their costs and benefits and their regulatory and economic impact. The information obtained assists the Commission in identifying rules and guides that warrant modification or rescission. Accordingly, on April 19, 1993, the Commission published in the Federal Register a request for public comments on its Extension Ladder Rule (58 FR 21125). The Commission asked commenters to address questions relating to the costs and benefits of the Rule, the burdens it imposes, and the basis for assessing whether it should be retained, or amended.

Six specific comments were received. One commenter, a consumer, opined that the only label that should be on ladders is the "maximum working length" because consumers should not have to do any figuring to determine the length of the ladder that would meet their needs.

Of the other five commenters, four were manufacturers or suppliers of ladders and one was a trade association. A number of these comments referred to the American National Standards Institute (ANSI) standard A14, which governs the labeling of ladders. ANSI standard A14 details the requirements for labeling portable wood ladders, portable metals ladders, fixed ladders, job made ladders, and portable

to the Chairman of the Committee on Commerce, Science and Transportation, United States Senate, and the Chairman of the Subcommittee on Commerce, Trade and Hazardous Materials, United States House of Representatives, 30 days prior to its publication.

³ These procedures included: publishing a Notice of Proposed Rulemaking, soliciting written comments on the Commission's proposal to repeal the Rule; holding an informal hearing, if requested by interested parties; receiving a final recommendation from Commission staff; and announcing final Commission action in the Federal Register.

reinforced plastic ladders. The ANSI standard requires specification of the maximum working length of an extension ladder, as well as several other pieces of information not required by the Extension Ladder Rule, including the total length of the ladder's sections and the highest standing level of the ladder. Compliance with the ANSI standard, therefore, ensures compliance with the labeling requirements of the Extension Ladder Rule. Several commenters noted this overlap in coverage of the Extension Ladder Rule and ANSI standard A14, and recommended that the Rule be retained unchanged.

Another commenter stated that the Rule has imposed minor, incremental costs, but opined that the benefits have been significant in that consumers have a better understanding of extension ladder length. The commenter questioned whether there was a continuing need for this Rule given the existence of ANSI standard A14 and UL standard 184, which the commenter stated also requires extension ladders to be marked to indicate both the total length of sections and the maximum extended length or maximum working length.

In addition to these specific comments, one general comment, applicable to several Commission Rules being reviewed, was received from an advertising agency association. This organization recommended rescission of the Extension Ladder Rule because the general prohibitions of Section 5 of the Federal Trade Commission Act covering false and deceptive advertising apply to the ladder industry. Thus, the commenter concluded that the Rule creates unnecessary administrative costs for the government, industry members and consumers.

Commission staff also engaged in an informal review of industry practices by examining the marking of length on extension ladders available for retail sale at several chain stores. That review indicated general compliance with the requirements of the Rule. Additionally, a check of Commission records failed to find any complaints regarding non-compliance with the Rule, or any initiation of law enforcement actions alleging violations of the Rule's requirements.

Accordingly, the Commission has reviewed the rulemaking record and determined to repeal the Extension Ladder Rule due to changes in industry practice, and the existence of industry standards mandating the point-of-sale disclosures required by the Rule.

III. Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA), 5 U.S.C. 601-11, requires an analysis of the anticipated impact of the repeal of the Rule on small businesses. The reasons for repeal of the Rule have been explained in this Notice. Repeal of the Rule would appear to have little or no effect on small businesses. Moreover, the Commission is not aware of any existing federal laws or regulations that would conflict with repeal of the Rule. For these reasons, the Commission certifies, pursuant to Section 605 of the RFA, 5 U.S.C. 605, that this action will not have a significant economic impact on a substantial number of small entities.

IV. Paperwork Reduction Act

The Extension Ladder Rule imposes third-party disclosure requirements that constitute "information collection requirements" under the Paperwork Reduction Act, 44 U.S.C. 3501 *et seq.* Accordingly, repeal of the Rule would eliminate any burdens on the public imposed by these disclosure requirements.

List of Subjects in 16 CFR Part 418

Advertising, Extension ladders, Trade practices.

PART 418—[REMOVED]

The Commission, under authority of Section 18 of the Federal Trade Commission Act, 15 U.S.C. 57a, amends chapter I of title 16 of the Code of Federal Regulations by removing Part 418.

By direction of the Commission.

Donald S. Clark,

Secretary.

FR Doc. 95-31011 Filed 12-19-95; 8:45 am]

BILLING CODE 6750-01-M

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 8650]

RIN 1545-AS23

Disallowance of Deductions for Employee Remuneration in Excess of \$1,000,000

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulations.

SUMMARY: This document contains final regulations relating to the disallowance of deductions for employee

remuneration in excess of \$1,000,000. The regulations provide guidance to taxpayers that are subject to section 162(m), which was added to the Code by the Omnibus Budget Reconciliation Act of 1993.

DATES: These regulations are effective January 1, 1994.

For dates of applicability, see § 1.162-27(j).

FOR FURTHER INFORMATION CONTACT: Robert Misner or Charles T. Deliee at (202)622-6060 (not a toll free number).

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act

The collections of information contained in these final regulations have been reviewed and approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act (44 U.S.C. 3507) under control number 1545-1466. Responses to these collections of information are required to obtain a tax deduction for performance-based compensation in excess of \$1 million.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number.

The estimated average annual burden per respondent is 50 hours.

Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be sent to the Internal Revenue Service, Attn: IRS Reports Clearance Officer, T:FP, Washington, DC 20224, and to the Office of Management and Budget, Attn: Desk Officer for the Department of the Treasury, Office of Information and Regulatory Affairs, Washington, DC 20503.

Books or records relating to this collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

Background

Under section 162(m) of the Internal Revenue Code, a publicly held corporation is denied a deduction for compensation paid to its "covered employees" to the extent the compensation exceeds \$1,000,000 if the compensation would otherwise be deductible in a taxable year beginning on or after January 1, 1994.

On December 20, 1993, proposed regulations under section 162(m) (the 1993 proposed regulations) were published in the Federal Register (58