

**Note 1:** This AD applies to each helicopter identified in the preceding applicability provision, regardless of whether it has been modified, altered, or repaired in the area subject to the requirements of this AD. For helicopters that have been modified, altered, or repaired so that the performance of the requirements of this AD is affected, the owner/operator must use the authority provided in paragraph (b) to request approval from the FAA. This approval may address either no action, if the current configuration eliminates the unsafe condition, or different actions necessary to address the unsafe condition described in this AD. Such a request should include an assessment of the effect of the changed configuration on the unsafe condition addressed by this AD. In no case does the presence of any modification, alteration, or repair remove any helicopter from the applicability of this AD.

**Compliance:** Required as indicated, unless accomplished previously.

To prevent failure of the link assembly, which could result in loss of control of the helicopter, accomplish the following:

(a) Before further flight, remove the link assembly, P/N 900C2010233-103 or -105, and replace with link assembly, P/N 900C2010233-107.

(b) An alternative method of compliance or adjustment of the compliance time that provides an acceptable level of safety may be used if approved by the Manager, Los Angeles Aircraft Certification Office. Operators shall submit their requests through an FAA Principal Maintenance Inspector, who may concur or comment and then send it to the Manager, Los Angeles Aircraft Certification Office.

**Note 2:** Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Los Angeles Aircraft Certification Office.

(c) Special flight permits will not be issued.

(d) This amendment becomes effective on December 2, 1997.

Issued in Fort Worth, Texas, on November 6, 1997.

**Eric Bries,**

*Acting Manager, Rotorcraft Directorate,  
Aircraft Certification Service.*

[FR Doc. 97-30058 Filed 11-14-97; 8:45 am]

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Use of "Leakproof," "Guaranteed Leakproof," Etc., as Descriptive of Dry Cell Batteries ("the Dry Cell Battery Rule" or "the Rule"), 16 CFR Part 403. The rulemaking record, changes in industry practice, and general voluntary compliance by the industry with the requirements of an American National Standards Institute standard for dry cell batteries, which has provisions similar to the Rule's, indicate that the Dry Cell Battery Rule is no longer necessary or in the public interest and should be repealed. This document contains a Statement of Basis and Purpose for repeal of the rule.

**EFFECTIVE DATE:** November 17, 1997.

**ADDRESSES:** Requests for copies of the Statement of Basis and Purpose should be sent to the Public Reference Branch, Room 130, Federal Trade Commission, Sixth Street and Pennsylvania Ave., N.W., Washington, DC 20580.

**FOR FURTHER INFORMATION CONTACT:** Neil Blickman, Attorney, Federal Trade Commission, Bureau of Consumer Protection, Division of Enforcement, Sixth Street and Pennsylvania Ave., N.W., Washington, DC 20580, (202) 326-3038.

#### **SUPPLEMENTARY INFORMATION:**

#### **Statement of Basis and Purpose**

##### *I. Background*

On May 20, 1964, the Commission promulgated a trade regulation rule that states that in connection with the sale of dry cell batteries in commerce, the use of the word "leakproof," the term "guaranteed leakproof," or any other word or term of similar import, or any abbreviation thereof, in advertising, labeling, marking or otherwise, as descriptive of dry cell batteries, constitutes an unfair method of competition and an unfair or deceptive act or practice in violation of section 5 of the FTC Act (16 CFR 403.4). This rule was based on the Commission's finding that, despite efforts by dry cell battery manufacturers to eliminate electrolyte leakage, battery leakage and damage therefrom occurs from the use to which consumers ordinarily subject dry cell batteries.

The rule provides that manufacturers or marketers are not prohibited from offering or furnishing guarantees that provide for restitution in the event of damage from battery leakage, provided no representation is made, directly or indirectly, that dry cell batteries will not leak (16 CFR 403.5). The Rule further provides that in the event any person develops a new dry cell battery that he believes is in fact leakproof, he may apply to the Commission for an

amendment to the rule, or other appropriate relief (16 CFR 403.6).

The Commission conducted an informal review of industry practices by examining the advertising, labeling and marketing of dry cell batteries available for retail sale. This review revealed no representations that the batteries were leakproof. The Commission's review, therefore, indicated general compliance with the Rule's provisions. Moreover, the Commission has no record of receiving any complaints regarding non-compliance with the Rule, or of initiating any law enforcement actions alleging violations of the Rule.

Additionally, the Commission's review indicated general voluntary compliance by the industry with the requirements of American National Standards Institute ("ANSI") Standard C18.1M-1992 Dry Cells and Batteries—Specifications. The ANSI standard contains specifications for dry cell batteries, and requirements for labeling the products and their packages. The ANSI standard requires the following information to be printed on the outside of each battery (when necessary, the standard permits some of this information to be applied to the unit package): (1) The name or trade name of the manufacturer; (2) the ANSI/National Electronic Distributors Association number, or some other identifying designation; (3) year and month, week or day of manufacture, which may be a code, or the expiration of a guarantee period, in a clear readable form; (4) the nominal voltage; (5) terminal polarity; and (6) warnings or cautionary notes where applicable. See section 8.1 of ANSI Standard C18.1M-1992.

The ANSI standard recommends that dry cell battery manufacturers and sellers include on their products and packages several battery user guidelines and warnings that are relevant to this proceeding. They are: (1) Although batteries basically are trouble-free products, conditions of abuse or misuse can cause leakage; (2) failure to replace all batteries in a unit at the same time may result in battery leakage; (3) mixing batteries of various chemical systems, ages, applications, types or manufacturers may result in poor device performance and battery leakage; (4) attempting to recharge a non-rechargeable battery is unsafe because it could cause leakage; (5) reverse insertion of batteries may cause charging, which may result in leakage; (6) devices that operate on either household current or battery power may subject batteries to a charging current, which may cause leakage; (7) do not store batteries or battery-powered equipment in high-temperature areas;

## **FEDERAL TRADE COMMISSION**

### **16 CFR Part 403**

#### **Deceptive Use of "Leakproof," "Guaranteed Leakproof," Etc., As Descriptive of Dry Cell Batteries**

**AGENCY:** Federal Trade Commission.

**ACTION:** Final rule; removal.

**SUMMARY:** The Federal Trade Commission (the "FTC" or "Commission") announces the repeal of the Trade Regulation Rule on Deceptive

and (8) do not dispose of batteries in fire. See section 7.5 of ANSI Standard C18.1M-1992. At a minimum, each dry cell battery and battery package inspected by Commission staff informed consumers that the batteries may explode or leak if recharged, inserted improperly, disposed of in fire, or mixed with different battery types.

Based on the foregoing, on March 25, 1997, the Commission published an Advance Notice of Proposed Rulemaking ("ANPR") tentatively concluding that industry members that comply with the ANSI standard's point-of-sale disclosure requirements also comply with the Rule. Accordingly, the Commission tentatively determined that the Dry Cell Battery Rule is no longer necessary, and sought comments on the proposed repeal of the Rule until April 24, 1997. 62 FR 14050.

The only comment received in response to the ANPR was submitted by the National Electrical Manufacturers Association ("NEMA"), a trade association representing all major U.S. manufacturers of dry cell batteries.<sup>1</sup> NEMA supported repeal of the Commission's Dry Cell Battery Rule, indicating that it has been superseded effectively in the marketplace by ANSI Standard C18.1M-1992.<sup>2</sup>

After reviewing the comment submitted in response to the ANPR, and in light of ANSI Standard C18.1M-1992, on August 19, 1997, pursuant to the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. 41-58, and the Administrative Procedure Act, 5 U.S.C. 551-59, 701-06, the Commission published a Notice of Proposed Rulemaking ("NPR") initiating a proceeding to consider whether the Dry Cell Battery Rule should be repealed or remain in effect (62 FR 44099).<sup>3</sup> This rulemaking proceeding 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,

to use expedited procedures in this proceeding.<sup>4</sup> The NPR comment period closed on September 18, 1997. The Commission received no comments and no requests to hold an informal hearing.

## II. Basis for Repeal of Rule

The Commission has decided to repeal the Dry Cell Battery Rule for the reasons discussed in the NPR. In sum, the Commission has reviewed the rulemaking record and determined that the practices that brought about the Rule, labeling or advertising dry cell batteries as being "leakproof," are no longer common industry practices. In addition, general voluntary compliance by the industry with the requirements of ANSI Standard C18.1M-1992 Dry Cells and Batteries—Specifications assures compliance with the Rule. Although repealing the Dry Cell Battery Rule would eliminate the Commission's ability to obtain civil penalties for any future misrepresentations that dry cell batteries are leakproof, the Commission has determined that, in these circumstances, repealing the Rule would not impair the Commission's ability to act effectively. Any significant problems that might arise could be addressed on a case-by-case basis under section 5 of the FTC Act, 15 U.S.C. 45, either administratively or through section 13(b) actions, 15 U.S.C. 53(b), filed in federal district court.

Prosecuting serious misrepresentations in district court allows the Commission to obtain injunctive relief as well as equitable remedies, such as redress or disgorgement. Accordingly, the Commission hereby announces the repeal of the Dry Cell Battery Rule.

## III. Regulatory Flexibility Act

The Regulatory Flexibility Act ("RFA"), 5 U.S.C. 601-12, 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 Dry Cell Battery Rule. Further, no comments suggested any adverse effect on small business from repeal. 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 Dry Cell Battery Rule imposes no third-party disclosure requirements that constitute "information collection requirements" under the Paperwork Reduction Act, 44 U.S.C. 3501 *et seq.* Since 1964, therefore, the Rule has imposed no paperwork burdens on marketers of dry cell batteries. In any event, repeal of the Dry Cell Battery Rule will permanently eliminate any burdens on the public imposed by the Rule.

## List of Subjects in 16 CFR Part 403

Advertising, Dry cell batteries, Labeling, Trade practices.

## PART 403—[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 403.

By direction of the Commission.

Donald S. Clark,

Secretary.

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## COMMODITY FUTURES TRADING COMMISSION

### 17 CFR Part 15

### Changes in Reporting Levels for Large Trader Reports

AGENCY: Commodity Futures Trading Commission.

ACTION: Final rulemaking.

**SUMMARY:** The Commodity Futures Trading Commission (Commission) is amending its regulations to raise the nominal reporting level at which futures commission merchants, clearing members, foreign brokers, and traders must file large trader reports in Standard and Poors (S&P) 500 futures from 300 to 600 contracts. Levels for filing reports in the E-mini S&P 500 futures will remain at 300 contracts. The effect of this rule amendment is to maintain at current levels the amount of information the Commission receives concerning large traders in these contracts.

**EFFECTIVE DATE:** December 17, 1997.

**FOR FURTHER INFORMATION CONTACT:** Lamont L. Reese, Commodity Futures Trading Commission, Division of

<sup>1</sup> The comment submitted in response to the ANPR was placed on the public record, and filed as document number B21969700001. In today's notice, the comment is cited as NEMA, #1.

<sup>2</sup> NEMA, #1.

<sup>3</sup> In accordance with section 18 of the FTC Act, 15 U.S.C. 57a, the Commission submitted the NPR to the Chairman of the Committee on Commerce, Science, and Transportation, United States Senate, and the Chairman of the Committee on Commerce, United States House of Representatives, 30 days prior to its publication in the **Federal Register**.

<sup>4</sup> 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**.