regulatory analysis (5 U.S.C. 603–604) are not applicable to this proposal because the Commission believes that the amendment, if promulgated, will not have a significant economic impact on a substantial number of small entities. The Commission has tentatively reached this conclusion with respect to the proposed amendment because the amendment would impose no additional obligations, penalties or costs. The amendment simply would allow covered companies to use a new generic name for a new fiber that may not appropriately fit within current generic names and definitions. The amendment would impose no additional labeling requirements.

To ensure that no substantial economic impact is being overlooked, however, the Commission requests public comment on the effect of the proposed amendment on costs, profits, and competitiveness of, and employment in, small entities. After receiving public comment, the Commission will decide whether preparation of a final regulatory flexibility analysis is warranted. Accordingly, based on available information, the Commission certifies, pursuant to the Regulatory Flexibility Act (5 U.S.C. 605(b)), that the proposed amendment, if promulgated, would not have a significant economic impact on a substantial number of small entities.

V. Paperwork Reduction Act

This proposed amendment does not constitute a ''collection of information'' under the Paperwork Reduction Act of 1995 (Pub. L. 104–13, 109 Stat. 163) and its implementing regulations. (5 CFR 1320 *et seq.*) The collection of information imposed by the procedures for establishing generic names (16 CFR 303.8) has been submitted to OMB and has been assigned control number 3084–0101.

List of Subjects in 16 CFR Part 303

Labeling, Textile, Trade practices.

VI. Proposed Amendments

Accordingly, the Commission proposes that 16 CFR Part 303 be amended as follows:

PART 303—RULES AND REGULATIONS UNDER THE TEXTILE FIBER PRODUCTS IDENTIFICATION ACT

1. The authority citation for part 303 continues to read as follows:

Authority: 15 U.S.C. 70 et seq.

2. It is proposed that a new paragraph (x) be added to § 303.7, to read as follows:

§ 303.7 Generic names and definitions for manufactured fibers.

(x) Fluoropolymer. A manufactured fiber containing at least 95% of a long-chain polymer synthesized from aliphatic fluorocarbon monomers.

By direction of the Commission.

Benjamin I. Berman,

Acting Secretary.

[FR Doc. 98–101 Filed 1–5–98; 8:45 am]

BILLING CODE 6750–01–M

FEDERAL TRADE COMMISSION

16 CFR Part 303

Rules and Regulations Under the Textile Fiber Products Identification Act

AGENCY: Federal Trade Commission.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Federal Trade Commission (''Commission'') solicits comments as to whether to amend Rule 7 of the Rules and Regulations Under the Textile Fiber Products Identification Act (16 CFR 303.7) to designate a new generic fiber name and establish a new generic fiber definition for a fiber manufactured by BASF Corporation (''BASF''), of Mt. Olive, New Jersey. BASF requested that the Commission establish the name ''melamine'' for the fiber, which it designates by the registered name ''Basofil.''

DATES: Comments will be accepted through March 23, 1998.

ADDRESSES: Comments should be submitted to: Office of the Secretary, Federal Trade Commission, Room 159, Sixth St. & Pennsylvania Ave., NW, Washington DC, 20580. Comments should be identified as ''16 CFR Part 303—Textile Rule 7 Comment—P974228.''

FOR FURTHER INFORMATION CONTACT: James G. Mills, Attorney, Division of Enforcement, Federal Trade Commission, Washington, DC, 20580; (202) 326–3035, FAX: (202) 326–3259.

SUPPLEMENTARY INFORMATION:

I. Background

Rule 6 of the Rules and Regulations under the Textile Fiber Products Identification Act (''Textile Rules,'' 16 CFR 303.6) requires manufacturers to use the generic names of the fibers contained in their textile fiber products in making required disclosures of the fiber content of the products. Rule 7 (16 CFR 303.7) sets forth the generic names and definitions that the Commission has established for synthetic fibers. Rule 8 (16 CFR 303.8) sets forth the procedures for establishing new generic names.

BASF submitted its application in this matter to the Commission on March 22, 1996. Since then, BASF has submitted additional information at the request of the Commission's staff. The application and related materials have been placed on the rulemaking record. BASF stated that Basofil fiber, which is mostly used in combination with other heat- and flame-resistant fibers, is intended for use in applications where heat and flame resistance and low flammability are vital, including fire-blocking fabrics, protective apparel and heat-insulating fabrics. BASF stated that, because the unique chemistry of Basofil fiber is inadequately described under the existing generic names listed in the Textile Rules, a new generic name and definition should be established.

After an initial analysis, on June 25, 1996, the Commission issued BASF the designation ''BC 0001'' for temporary use in identifying Basofil, pending a final determination as to the merits of the application for a new generic name.

II. Chemical composition and Physical and Chemical Properties of BASF's Fiber

In its petition and other materials, BASF described Basofil as a fiber that, because of its unique melamine-formaldehyde chemistry, is especially suited for applications in which heat and flame resistance are needed. BASF intends the fiber to be used in the manufacture of heat- and flame-resistant textile products, like fire-blocking fabrics, gloves and aprons and other protective apparel, and filters for use in high-temperature applications. BASF described Basofil chemically as follows:

> The product is a fiber made from a condensation polymer of melamine derivatives and formaldehyde * * *. In the condensation reaction, methylol compounds are formed which then react with one another to form a three-dimensional structure of methylene ether and methylene bridges.
>
> The chemical composition of Basofil fiber is based upon a three-dimensional cross linked structure containing methylene links, such as (Melamine–NH–CH_2–NH–Melamine) and dimethylene ether links such as (Melamine–NH–CH_2–O–CH_2NH–Melamine). The melamine can also be modified to contain hydroxyl groups.
>
> The network structure of Basofil fiber provides the characteristics found in melamine-based resins—heat stability, solvent resistance, and low flammability.

BASF stated that Basofil combines fire protection and heat stability with good chemical, hydrolysis and ultraviolet resistance, and that the fiber, which is white and dyeable, can be processed on standard textile manufacturing

equipment for the production of woven, knitted, and nonwoven fabrics.

BASF asserted that Basofil's most outstanding physical properties are its high Limiting Oxygen Index (LOI), low thermal conductivity, heat dimensional stability, and the fact that it does not shrink, melt or drip when exposed to a flame. BASF provided the following table to describe the most important physical properties of Basofil:

Fiber Denier, nominal	2.5, variable.
Staple Length, nominal.	2 inch, variable.
Density	1.4 g/cm^3.
Tenacity, nominal	1.8 g/denier.
Elongation at Break, nominal.	12%.
Moisture Regain, @23°C & 65% RH.	5%.
Limiting Oxygen Index (LOI).	32.
Continuous Use Temperature.	200°C (392°F)
Maximum Use Temperature.	260°C–370°C (500°F–698°F).
Hot Air Shrinkage, 1 hr @ 200°C(392°F).	<1%.

BASF tested an 18 oz/yd^2 woven Basofil fabric sample for tensile strength and elongation at break, after a 12-hour exposure in water at room temperature and reconditioned in dry air, in accordance with European test method DIN 53 857 using samples 50 mm wide and an extension rate of 100 mm/min. The results indicated that there was little effect on tensile properties (breaking strength @ 225 lbs. dry and 214 lbs. after immersion: breaking elongation @ 20% for both).

BASF evaluated the chemical resistance of the same Basofil fabric in various solvents, acides and basis. The fabric was exposed to the test medium for 28 days at room temperature and then washed and tested wet to measure tensile strength loss after exposure. The results showed that Basofil fiber is resistant to many solvents and to hydrolysis, is extremely resistant to alkalis and has some resistance to acids.

BASF exposed fabric samples to elevated temperatures and then tested them at room temperature for breaking strength. The results indicated minimal change in tensile properties. BASF also directly measured the tensile strength at temperatures up to 200°C. The fabric was treated for one hour at the test temperature and measured for tensile strength. Again, the results showed little change in tensile strength.

BASF conducted several tests of Basofil fabric samples to evaluate flammability, ignitability, flame spread, the secondary effects of fire and heat release, and smoke toxicity. BASF tested a sample of 18 oz/yd^2 woven Basofil fabric in accordance with ASTM E662-79/BSS 7239 and analyzed smoke and gas samples taken four minutes after the onset of smoldering. The results showed that Basofil fiber was well under Federal Aviation Administration requirements (important because an early use of Basofil was as a fire-retardant material in airplanes). The specific optical density of the smoke, according to the test, was 25 (D_S) after 4 minutes flaming. A D_S value less than 200 is required to pass FAA standards. BASF's results of a 12-second vertical flame test (according to Federal Aviation Regulation 25.853/FTM 191–5903) showed that Basofil fabric also meets FAA requirements in this regard. BASF measured the Thermal Protective Performance (TPP) of the same Basofill fabric, according to NFPA 1971. The results were a single fabric layer TPP of 27 at a heat flux of 2 cal/cm^2-sec.

In additional materials, BASF provided the Commission with infrared spectrum information, x-ray diffraction results, and fiber and fabric samples.

III. Invitation To Comment

The Commission is soliciting comment on BASF's application generally, and on whether the application meets the criteria (discussed below) that the Commission first announced at 38 FR 34112 (Dec. 11, 1973) as grounds for the granting of petitions for new generic names, and later clarified and reaffirmed on December 6, 1995, 60 FR 62353, and again on May 23, 1997, 62 FR 28343. BASF has contended that its petition meets these criteria.

First Criterion: The fiber for which a generic name is requested must have a chemical composition radically different from other fibers, and that distinctive chemical composition must result in distinctive physical properties of significance to the general public.

According to BASF, the Basofil fiber is based upon unique melamine chemistry that tresults in a fiber with significant heat and flame resistance. BASF asserted that the granting of a generic name and definition for Basofil is necessary to enable consumers seeking high heat and flame resistance to identify those textile fiber products containing Basofil.

Second Criterion: The fiber must be in active commercial use or such use must be immediately foreseen.

BASF stated that it has begun to import Basofil fiber and to market the fiber to potential end users. At the time of its petition, BASF was in the process of building a plant in Enka, North Carolina, capable of producing approximately 3.6 million pounds of Basofil. Counsel for BASF has informed the Commission that the plant is currently operational.

Third Criterion: The granting of the generic name must be of importance to the consuming public at large, rather than a small group of knowledgeable professionals such as purchasing officers for large Government agencies.

BASF argued that, because of the importance of heat and flame resistance to many fiber products, both industrial and consumer, the Commission's granting of the generic name is of importance to the general public.

The Commission also requests comments on the appropriateness of the fiber name definition proposed by BASF. Maintaining that the key to Basofil chemistry is the melamine-aldehyde cross-linkage, BASF proposed the generic name ''melamine,'' with the following corresponding definition:

A manufactured fiber in which the fiber forming substance is a synthetic polymer composed of at least 50% by weight of a cross-linked melamine polymer.

BASF explained that the unusually low (50%) threshold for the principal element of the fiber (the cross-linked melamine polymer) in the definition is based on the possibility that Basofil may be modified in the future to contain other components typically found in fiber formulations, such as dispersing aids, fillers, flame retardants, heat or light stabilizers, optical modifiers, etc. BASF provided an example of such a formulation:

50% melamine fiber
5% pigment
5% pigment dispersing aid
15% flame retardant
5% light or heat stabilizer
20% organic filler

BASF continued:

Original fiber properties could change in some cases. For example, initial tenacity and elongation may drop. In other cases, original properties may not change, but fastness properties may improve, as, for example, with the addition of a stabilizer. In other instances, the change may only be in appearance, as with the addition of a pigment.

Before deciding whether to amend Rule 7, the Commission will consider any comments submitted to the Secretary of the Commission within the above-mentioned comment period. Comments that are submitted will be available for public inspection, in accordance with the Freedom of Information Act, 5 U.S.C. 552, and Commission regulations, 16 CFR 4, on

normal business days between the hours of 8:30 a.m. and 5:00 p.m. at the Public Reference Room, Room 130, Federal Trade Commission, 6th St. & Pennsylvania Ave., NW, Washington, D.C. 20580.

IV. Regulatory Flexibility Act

The provisions of the Regulatory Flexibility Act relating to an initial regulatory analysis (5 U.S.C. 603–604) are not applicable to this proposal because the Commission believes that the amendment, if promulgated, will not have a significant economic impact on a substantial number of small entities. The Commission has tentatively reached this conclusion with respect to the proposed amendment because the amendment would impose no additional obligations, penalties or costs. The amendment simply would allow covered companies to use a new generic name for a new fiber that may not appropriately fit within current generic names and definitions. The amendment would impose no additional labeling requirements.

To ensure that no substantial economic impact is being overlooked, however, the Commission requests public comment on the effect of the proposed amendment on costs, profits, and competitiveness of, and employment in, small entities. After receiving public comment, the Commission will decide whether preparation of a final regulatory flexibility analysis is warranted. Accordingly, based on available information, the Commission certifies, pursuant to the Regulatory Flexibility Act (5 U.S.C. 605(b)), that the proposed amendment, if promulgated, would not have a significant economic impact on a substantial number of small entities.

V. Paperwork Reduction Act

This proposed amendment does not constitute a ''collection of information'' under the Paperwork Reduction Act of 1995 (Pub. L. 104–13, 109 Stat. 163) and its implementing regulations. (5 CFR 1320 et seq.) The collection of information imposed by the procedures for establishing generic names (16 CFR 303.8) has been submitted to OMB and has been assigned control number 3084–0101.

List of Subjects in 16 CFR Part 303

Labeling, Textile, Trade practices.

VI. Proposed Amendments

Accordingly, the Commission proposed that 16 CFR Part 303 be amended as follows:

PART 303—RULES AND REGULATIONS UNDER THE TEXTILE FIBER PRODUCTS IDENTIFICATION ACT

1. The authority citation for part 303 continues to read as follows:

Authority: 15 U.S.C. 70e(c) et seq.

2. It is proposed that a new paragraph (w) be added to § 303.7, to read as follows:

§ 303.7 Generic names and definitions for manufactured fibers.

* * * * *

(w) Melamine. A manufactured fiber in which the fiber-forming substance is a synthetic polymer composed of at least 50% by weight of a cross-linked melamine polymer.

By direction of the Commission.

Benjamin I. Berman,

Acting Secretary.

[FR Doc. 98–100 Filed 2–5–98; 8:45 am]

BILLING CODE 6750–01–M

SECURITIES AND EXCHANGE COMMISSION

17 CFR Chapter II

[Release Nos. 33–7491, 34–39496, 35–26806, 39–2360, IC–22978, IA–1690; File No. S7–34–97]

List of Rules To Be Reviewed Pursuant to the Regulatory Flexibility Act

AGENCY: Securities and Exchange Commission.

ACTION: Publication of list of rules scheduled for review.

SUMMARY: The Securities and Exchange Commission is today publishing a list of rules to be reviewed pursuant to Section 610 of the Regulatory Flexibility Act. The list is published to provide the public with notice that these rules are scheduled for review by the agency and to invite public comment on them.

DATES: Public comments are due by January 31, 1998.

ADDRESSES: Persons wishing to submit written comments should file three copies with Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Room 6184, Stop 6–9, Washington, D.C. 20549. All submissions should refer to File No. S7–34–97, and will be available for public inspection and copying at the Commission's Public Reference Room, Room 1026, at the same address.

FOR FURTHER INFORMATION CONTACT: Anne H. Sullivan, Office of the General Counsel, Securities and Exchange Commission 202–942–0954.

SUPPLEMENTARY INFORMATION: The Regulatory Flexibility Act (''RFA'') codified at 5 U.S.C. 600–611 requires agencies to review rules which have a significant economic impact upon a substantial number of small entities every ten years. The purpose of the review is ''to determine whether such rules should be continued without change, or should be amended or rescinded * * * to minimize any significant economic impact of the rules upon a substantial number of such small entities'' (5 U.S.C. 610(a)).

The RFA sets forth specific considerations that must be addressed in the review of each rule:

- the continued need for the rule;
- the nature of complaints or comments received concerning the rule from the public;
- the complexity of the rule;
- the extent to which the rule overlaps, duplicates or conflicts with other Federal rules, and, to the extent feasible, with State and local governmental rules; and
- the length of time since the rule has been evaluated or the degree to which technology, economic conditions, or other factors have changed in the area affected by the rule (5 U.S.C. 610(c)).

The Securities and Exchange Commission, as a matter of policy, reviews all rules which it publishes notice and comment for compliance with the RFA. Pursuant to the RFA, the rules and forms listed below are scheduled for review by staff of the Commission during the next twelve months. The rules are grouped according to which Division or Office of the Commission will review each rule:

Rule To Be Reviewed by the Office of the Chief Accountant

Title: Article 10 of Regulation S–X (Interim Financial Statements).

Citation: 17 CFR 210.10.

Authority: 15 U.S.C. 77f, 77g, 77s(a), 77aa(25), 77a(26), 78*l*, 78m, 78*o*(d), 78w(a), 79e(b), 79n, 79t(a), 80a–8, and 80a–29.

Rule To Be Reviewed by the Division of Corporation Finance

Title: Rule 701 (Exemption for offers and sales of securities pursuant to certain compensatory benefit plans and contracts relating to compensation).

Citation: 17 CFR 230.701.

Authority: 15 U.S.C. 77a *et seq.*

Rule To Be Reviewed by the Division of Market Regulation

Title: Rule 10b–21(T) (Short sales in connection with a public offering).

Citation: 17 CFR 240.10b–21(T).

Authority: 15 U.S.C. 77c, 77d, 77g, 77j, 77s, 77eee, 77ggg, 77nnn, 77sss,