PART 39—AIRWORTHINESS DIRECTIVES

1. The authority citation for part 39 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40113, 44701.

§ 39.13 [Amended]

2. Section 39.13 is amended by adding a new airworthiness directive to read as follows:

AD 96–08–03 Flight Trails Helicopters, Inc.: Amendment 39–9569. Docket No. 95–SW–19–AD.

Applicability: McDonnell Douglas Helicopters Systems (MDHS) Model 369D, 369E, 369F, 369FF, and 500N helicopters, that have been modified in accordance with Supplemental Type Certificate (STC) No. SH6080NM, or in accordance with a Federal Aviation Administration (FAA) Form 337, ''Major Repair and Alteration,'' using Flight Trails Helicopters, Inc. hardpoint assemblies, certificated in any category.

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.

Note 2: Information concerning the hardpoint assemblies may be obtained from Flight Trails Helicopters, Inc., ATTN: Mr. Larry Anderson, 4805 Falcon Drive, Mesa, Arizona 85205, telephone (602) 396–8242.

Compliance: Required as indicated, unless accomplished previously.

To prevent failure of the hardpoint assembly, separation of the hardpoint assembly from the helicopter, and subsequent contact between the hardpoint assembly and the fuselage or rotor system of the helicopter, accomplish the following:

(a) Before further flight, remove from the helicopter any Flight Trails Helicopters, Inc. hardpoint assembly not marked with a part number (P/N) and serial number (S/N) by removing the NAS 1351–3 cap screw that secures the hardpoint assembly to the jacking fitting, P/N 369H2521–1 and –2, and slipping the hardpoint assembly out of the step mount. The only Flight Trails Helicopters, Inc. hardpoint assemblies that are considered airworthy and eligible for installation are those hardpoint assemblies marked with a serial number and either P/N FTH 105 LH Mod 1, for a hardpoint assembly mounted on the left side of the helicopter, or P/N FTH 105 RH Mod 1, for a hardpoint assembly mounted on the right side.

(b) An alternative method of compliance or adjustment of the compliance time that provides an acceptable level of safety may be used when approved by the Manager, Los Angeles Aircraft Certification Office, FAA. 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 3: 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 may be issued in accordance with sections 21.197 and 21.199 of the Federal Aviation Regulations (14 CFR 21.197 and 21.199) to operate the helicopter to a location where the requirements of this AD can be accomplished.

(d) This amendment becomes effective on May 20, 1996.

Issued in Fort Worth, Texas, on April 2, 1996.

Eric Bries,

Acting Manager, Rotorcraft Directorate, Aircraft Certification Service.

[FR Doc. 96–9273 Filed 4–12–96; 8:45 am]

BILLING CODE 4910–13–P

FEDERAL TRADE COMMISSION

16 CFR Part 303

Rules and Regulations Under the Textile Fiber Products Identification Act

AGENCY: Federal Trade Commission.

ACTION: Notice of final rulemaking.

SUMMARY: On December 6, 1995, the Federal Trade Commission (''Commission'') initiated a notice-and-comment rulemaking proceeding by publishing a Notice of Proposed Rulemaking in the Federal Register to solicit comment on whether Rule 7(d) of the Rules and Regulations Under the Textile Fiber Products Identification Act should be amended to allow use of the name ''lyocell'' as an alternative to the generic name ''rayon'' for a specific subclass of rayon fibers defined in the proposed amendment. The Commission has analyzed the record developed during that proceeding and has concluded that the lyocell subclass has sufficiently different characteristics from other rayons to justify use of the term ''lyocell'' as an alternative to the generic name ''rayon'' for that subclass. The Commission announces, therefore, that Textile Rule 7(d) will be amended. The amendment will allow the use of the term ''lyocell'' as a generic name on disclosures required by the Textile Act for fibers that meet the definition of lyocell in the amendment. This Notice summarizes the comments received in response to the December 6, 1995, Notice of Proposed Rulemaking and sets out the Commission's final action in this matter.

EFFECTIVE DATE: May 15, 1996.

FOR FURTHER INFORMATION CONTACT: Bret S. Smart, Program Advisor, Los Angeles Regional Office, Federal Trade Commission, 11000 Wilshire Boulevard, #13209, Los Angeles, CA 90024, (310) 235–4040.

SUPPLEMENTARY INFORMATION:

I. Background

Rule 6[1] of the Rules and Regulations under the Textile Fiber Products Identification Act (''Textile Act'')[2] requires use of generic names of the fibers contained in textile fiber products in making required disclosures of the fiber content of the products. Rule 7[3] sets forth the generic names and definitions that the Commission has established for manufactured fibers. Rule 8[4] sets forth the procedures for establishing new generic names for manufactured fibers.

On January 27, 1992, Courtaulds Fibers, Inc. (''Courtaulds'') applied to the Commission requesting establishment of a new generic name and definition for a fiber it manufactures. It recommended ''lyocell'' be adopted as the new generic name for this fiber. In its application, Courtaulds stated that this cellulosic fiber differs in kind and chemical structure from any of the existing fiber definitions of Rule 7.[5]

After an initial analysis, the Commission granted Courtaulds the designation ''CF0001'' for temporary use in identifying the fiber until final disposition of the application.

Courtaulds' application and other related documents and materials describe the lyocell fiber, its manufacture, and possible uses as follows:

Lyocell fiber results from the dissolution of cellulose into an aqueous solution of N-methyl morpholine oxide and the precipitation of the fiber out of solution. This process is unique among methods used to manufacture other existing rayons. As a result, the molecular structure of lyocell fiber is radically different from that of other rayons in that it has a substantially higher degree of polymerization and greater crystallinity. These differences induce high wet and dry tenacity as well as high initial wet modulus

[1] 16 CFR 303.6.

[2] 15 U.S.C. 70, et seq.

[3] 16 CFR 303.7.

[4] 16 CFR 303.8.

[5] Courtaulds' application and related materials have been placed on the rulemaking record.

in lyocell fiber. Consequently, garments made from the fiber are highly resistant to shrinkage and wrinkling and therefore do not require dry-cleaning, unlike other rayons.

Based on its review of Courtaulds' application and related materials, the Commission solicited comments in its December 6, 1995, Notice of Proposed Rulemaking[6] on a proposed amendment to the Rule 7(d) definition of rayon.[7] The proposed amendment would add the following sentence:

Where the fiber is composed of cellulose precipitated from an organic solution in which no substitution of the hydroxyl groups takes place and no chemical intermediates are formed, the term lyocell may be used as a generic description of the fiber.

The effect of this proposed amendment would be to allow use of the name ''lyocell' as an alternative to the generic name ''rayon'' for the subclass of fibers meeting the criteria contained in the proposed second sentence.[8]

In the Notice of Proposed Rulemaking, the Commission took the opportunity to clarify its 1973 statement of policy concerning the criteria by which it will decide the disposition of applications filed under Rule 8.[9] The Notice of Proposed Rulemaking stated as follows:

As exemplified by today's action and reflected in this notice, the Commission generally reaffirms its 1973 criteria. In addition, it notes that where appropriate, in considering application for new generic names for fibers that are of the same general chemical composition as those for which a generic name already has been established, rather than of a chemical composition that is radically different, but that have distinctive properties of importance to the general public as a result of a new method of manufacture or their substantially differentiated physical characteristics, such as their fiber structure, it may allow such fiber to be designated in required information disclosures by either its generic name, or alternatively, by its ''subclass'' name. The Commission will consider this disposition when the distinctive feature or features of the subclass fiber make it suitable for uses for which other fibers under the established generic name would not be suited or would be significantly less well suited.

Based on the information available to it at the time comments were solicited, the Commission further stated in the Notice of Proposed Rulemaking as follows:

The Commission believes that Courtaulds' current application describes a subclass of generic rayon fibers with significant distinctions to consumers resulting from physical characteristics of the fiber and its new mode of manufacture that meet the above standard for allowing designation by the subclass name ''lyocell.''

II. Summary and Analysis of Comments

A. Summary

There were twenty-seven comments submitted in this proceeding.[10] Twenty-six of these were one page in length and generally expressed support for the Commission's proposed amendment to Rule 7(d). Nearly half of the comments additionally stated that lyocell has significantly different characteristics from other rayons. Among these letters was one from the Austrian company, Lenzing AG. Describing itself as ''the world's leading producer of viscose staple fiber,'' Lenzing AG commented as follows:

[Lenzing] welcomes and supports the FTC's proposal to add ''lyocell'' to the list of approved generic names.

Lenzing AG has developed a lyocell fiber and currently operates a small scale pilot plant. A commercial scale plant of 24,000 tonnes a year is under construction, but already before its completion mid 1997 will the fiber be marketed in the USA under the trade name ''Lyocell by Lenzing.''

The decision for a new cellulosic fiber technology has been taken because of the unique and significantly different characteristics that differentiate ''lyocell'' clearly from rayon and/or viscose. We feel strongly that the consumer will actively seek the inherent fiber properties and a clear reference to ''lyocell'' in the fiber content label of a textile product will be appreciated.[11]

The American Fiber Manufacturers Association, Inc. (''AFMA'') submitted a two-page letter with thirteen pages of attachments. The letter states as follows:

AFMA is the domestic trade association for the U.S. manufactured fiber industry. The Association's membership is comprehensive with eighteen members accounting for more than 90 percent of the U.S. production of synthetic and cellulosic fiber. The Association's basic policy is to oppose the proliferation of generic fiber names, except where there is a clear and compelling rationale—which we believe exists in the case of lyocell.[12]

B. Analysis

The Commission has considered the comments and all other information available to it in this matter. It concludes that, as a result of its physical characteristics and mode of manufacture, ''lyocell'' fiber is a subclass of generic ''rayon'' with significant distinctions to consumers (e.g., washability). The Commission further concludes that it is in the public interest to amend Rule 7(d) to define the ''lyocell'' subclass and to allow use of the name ''lyocell'' as an alternative to the generic name ''rayon'' for that subclass of fiber.

The temporary designation ''CF0001'' previously assigned Courtaulds' fiber for temporary use is hereby revoked as of the effective date of this amendment.

III. Regulatory Flexibility Act

In publishing the proposed amendment, the Commission certified, subject to subsequent public comment, that the proposed amendment, if promulgated, would not have a significant economic impact on a substantial number of small entities and, therefore, that the provisions of the Regulatory Flexibility Act,[13] requiring

---

[6] 60 FR 62352 (Dec. 6, 1995).

[7] Rule 7(d) (16 CFR 303.7(d)) currently defines ''rayon'' as, ''a manufactured fiber composed of regenerated cellulose, as well as manufactured fibers composed of regenerated cellulose in which substituents have replaced not more than 15% of the hydrogens of the hydroxyl groups.''

[8] Within the established 21 generic names for manufactured fibers, there are currently two cases where such generic name alternatives may be used. Pursuant to Rule 7(e) (16 CFR 303.7(e)), within the generic category ''acetate,'' the term ''triacetate'' may be used as an alternative generic description for a specifically defined subclass of acetate fiber. Pursuant to Rule 7(j) (16 CFR 303.7(j)), within the generic category ''rubber,'' the term ''lastrile'' may be used as an alternative generic description for a specifically defined subclass of rubber fiber.

[9] In 1973 the Commission summarized its policy for adopting generic fiber names, as follows:

[T]he Commission, in the interest of elucidating the grounds on which it has based this decision and shall base future decisions as to the grant of generic names for textile fibers, sets out the following criteria for grant of such generic names.

1. 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.

2. The fiber must be in active commercial use or such use must be immediately foreseen.

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

The Commission believes it is in the public interest to prevent the proliferation of generic names, and will adhere to a stringent application of the above-mentioned criteria in consideration of any future applications for generic names and in a systematic review of any generic names previously granted which no longer meet these criteria.

(*See* 38 FR 34114, November 12, 1973.)

[10] Los Angeles Dye & Denim Finish, Inc. (1), Parkdale Mills, Inc. (2), JPS Converter and Industrial Corp. (3), Lee Company (4), New Cherokee Corporation (5), Horizon Textiles Corp. (6), Ge-Ray Fabrics, Inc. (7), Burlington Madison Yarn Company (8), Greenwood Mills, Inc. (9), Dixie Yarns, Inc. (10), Stonecutter Mills Corporation (11), Burlington Industries, Inc. (12), New Cherokee Corporation (13), Milliken (14), David Dart (15), Burlington Denim (16), Threads USA (17), Threads USA (18), Dan River, Inc. (19), Lenzing AG (20), Milliken (21), Milliken (22), Guilford Mills, Inc. (23), American Fiber Manufacturers Association, Inc. (24), Springs (25), Eileen Fisher (26), Allied Tube & Conduit Corporation (27).

[11] Lenzing AG (20) p.1.

[12] American Fiber Manufacturers Association, Inc. (24) p.1.

[13] 5 U.S.C. 605(b).

an initial regulatory analysis, did not apply.[14] In considering the economic impact of the proposed amendment on manufacturers and retailers, the Commission noted that the amendment would impose no obligations, penalties or costs, in part because the amendment simply provides an additional, alternative method of complying with existing rules. Use of the new alternative is voluntary. The Commission nonetheless requested comment on the effects of the proposed amendment on costs, profitability, competitiveness, and employment in small entitles, in order not to overlook any substantial economic impact that would warrant a final regulatory flexibility analysis.[15]

Despite the explicit request by the Commission for comment on the impact of the amendment on small entities, and the receipt of twenty-seven comments from a variety of industry members, including the association that represents the producers of over 90% of U.S. fiber, no comments were received on this aspect of the rulemaking. The uniform silence on this issue supports the Commission's tentative conclusion contained in the Notice of Proposed Rulemaking. Accordingly, on the basis of all the information before it, the Commission has determined that the final amendment will not have a sufficiently significant economic impact on a substantial number of small entities to warrant a final regulatory flexibility analysis under the Regulatory Flexibility Act. The notice serves as certification to that effect to the Small Business Administration.

IV. Paperwork Reduction Act

This amendment does not constitute a ''collection of information'' under the Paperwork Reduction Act[16] and the implementing regulations of the Office of Management and Budget (''OMB'').[17]

The generic name petition requests have already been submitted to the OMB and have been assigned a control number, 3084–0047.

List of Subjects in 16 CFR Part 303

Labeling, Textiles, Trade practices.

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

Accordingly, after consideration of the views, arguments and data submitted pursuant to the Notice of Proposed Rulemaking in this matter, and in consideration of other pertinent information and material available to the Commission, the Commission has determined to amend 16 CFR Part 303, Rules and Regulations under the Textile Fiber Products Identification Act, in the manner set forth below:

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

Authority: Sec. 7(c) of the Textile Fiber Products Identification Act, 15 U.S.C. 70e(c); Sec. 553 of the Administrative Procedure Act, 5 U.S.C. 553.

§ 303.7 [Amended]

2. Section 303.7(d), Generic Names and Definitions for Manufactured Fibers, of 16 CFR Part 303 is hereby revised to read as follows:

§ 303.7 Generic names and definitions for manufactured fibers.

* * * * *

(d) Rayon—a manufactured fiber composed of regenerated cellulose, as well as manufactured fibers composed of regenerated cellulose in which substituents have replaced not more than 15% of the hydrogens of the hydroxyl groups. Where the fiber is composed of cellulose precipitated from an organic solution in which no substitution of the hydroxyl groups takes place and no chemical intermediates are formed, the term *lyocell* may be used as a generic description of the fiber.

* * * * *

By direction of the Commission.

Donald S. Clark,

Secretary.

[FR Doc. 96–9274 Filed 4–12–96; 8:45 am]

BILLING CODE 6750–01–M

[14] 60 FR 62352, 62354 (Dec. 6, 1995).

[15] Id.

[16] 44 U.S.C. 3501 et seq.

[17] 5 CFR 1320.7(c).

PENSION BENEFIT GUARANTY CORPORATION

29 CFR Parts 2610 and 2622

Late Premium Payments and Employer Liability Underpayments and Overpayments; Interest Rate for Determining Variable Rate Premium; Amendments to Interest Rates

AGENCY: Pension Benefit Guaranty Corporation.

ACTION: Final rule.

SUMMARY: This document notifies the public of the interest rate applicable to late premium payments and employer liability underpayments and overpayments for the calendar quarter beginning April 1, 1996. This interest rate is established quarterly by the Internal Revenue Service. This document also sets forth the interest rates for valuing unfunded vested benefits for premium purposes for plan years beginning in February through April 1996. These interest rates are established pursuant to section 4006 of the Employee Retirement Income Security Act of 1974, as amended. The effect of these amendments is to advise plan sponsors and pension practitioners of these new interest rates.

EFFECTIVE DATE: April 1, 1996.

FOR FURTHER INFORMATION CONTACT: Harold J. Ashner, Assistant General Counsel, Office of the General Counsel, Pension Benefit Guaranty Corporation, 1200 K Street, NW., Washington, DC 20005–4026; telephone 202–326–4024 (202–326–4179 for TTY and TTD). These are not toll-free numbers.

SUPPLEMENTARY INFORMATION: As part of title IV of the Employee Retirement Income Security Act of 1974, as amended, the Pension Benefit Guaranty Corporation collects premiums from ongoing plans to support the single-employer and multiemployer insurance programs. Under the single-employer program, the PBGC also collects employer liability from those persons described in ERISA section 4062(a). Under ERISA section 4007 and 29 CFR § 2610.7, the interest rate to be charged on unpaid premiums is the rate established under section 6601 of the Internal Revenue Code (''Code''). Similarly, under 29 CFR 2622.7, the interest rate to be credited or charged with respect to overpayments or underpayments of employer liability is the section 6601 rate. These interest rates are published by the PBGC in appendix A to the premium regulation and appendix A to the employer liability regulation.

The Internal Revenue Service has announced that for the quarter beginning April 1, 1996, the interest charged on the underpayment of taxes will be at a rate of 8 percent. Accordingly, the PBGC is amending appendix A to 29 CFR part 2610 and appendix A to 29 CFR part 2622 to set forth this rate for the April 1, 1996, through June 30, 1996, quarter.

Under ERISA section 4006(a)(3)(E)(iii)(II), in determining a single-employer plan's unfunded vested benefits for premium computation purposes, plans must use an interest rate equal to 80% of the annual yield on 30-year Treasury securities for the month preceding the beginning of the plan year for which premiums are being paid. Under § 2610.23(b)(1) of the premium regulation, this value is determined by reference to 30-year Treasury constant maturities as reported