sufficient for an ordinary consumer to notice, hear, and comprehend them. Video statements shall be of a size and shade and shall appear for a duration sufficient for an ordinary consumer to notice, read, and comprehend them. In the case of print media, the statement shall be in a type size and in a location sufficient for an ordinary consumer to notice, read, and comprehend it.

Paragraph III supplements Paragraph II. It provides that CompuServe, in connection with advertising, promoting, selling, or distributing any online service, shall disclose, ''clearly and prominently,'' during the final registration process, and prior to consumers incurring any financial obligation or liability, the terms of all mandatory financial obligations that will be incurred by consumers as a result of using such online service. Specifically, subparagraph III.A. requires CompuServe to disclose the financial terms and conditions of any plan (*e.g.*, trial offer) by which consumers enroll in or renew enrollment in the online service. Moreover, if such plan exists, CompuServe must disclose, ''clearly and prominently,'' any obligation to cancel or take other affirmative action to avoid charges and provide at least one reasonable means by which consumers may effectively cancel their enrollment. Subparagraph III.B. requires CompuServe to disclose any mandatory membership, enrollment, or usage fees (*e.g.*, monthly or hourly usage charges).

For purposes of Paragraph III, a disclosure is ''clearly and prominently'' made if it is of a size and shade, and appears for a duration sufficient for an ordinary consumer to notice, read, and comprehend it. The disclosure shall not be avoidable by consumers.

Paragraph IV requires CompuServe, in connection with an electronic fund transfer from a consumer account, to obtain authorization for the transfer, as required by Section 907(a) of the EFTA and Section 205.10(b) of Regulation E. In addition, CompuServe must provide advance notice of electronic fund transfers from consumer accounts that vary in amount from previous transfers, as required by Section 907(b) of the EFTA and Section 205.10(d) of Regulation E.

Paragraphs V through IX contain provisions generally found in Commission consent orders, including record-keeping requirements, distribution requirements, notice requirements, and a requirement that CompuServe submit a report setting forth the manner in which it has complied with the consent order.

Finally, Paragraph X contains a provision terminating the order, under ordinary circumstances, twenty years from the date of its issuance.

The purpose of this analysis is to facilitate public comment on the proposed order, and it is not intended to constitute an official interpretation of the agreement and proposed order or to modify in any way their terms.

Donald S. Clark,

Secretary.

[FR Doc. 97–12582 Filed 5–13–97; 8:45 am]

BILLING CODE 6750–01–M

FEDERAL TRADE COMMISSION

[File No. 952–3332]

Prodigy Services Corporation; Analysis To Aid Public Comment

AGENCY: Federal Trade Commission.

ACTION: Proposed consent agreement.

SUMMARY: In settlement of alleged violations of federal law prohibiting unfair or deceptive acts or practices and unfair method of competition, this consent agreement, accepted subject to final Commission approval, would, among other things, require the respondent, an Internet service provider, when offering a ''free trial'' with automatic membership enrollment or renewal, to disclose clearly and prominently any obligation to cancel to avoid charges, to provide at least one reasonable means of canceling, and to obtain consumers' authorization before debiting their accounts. The complaint accompaning the consent agreement alleges that Prodigy's ''free trial'' offers resulted in unexpected charges for many consumers, because the offers did not make clear that consumers had an affirmative obligation to cancel before the trial period ended. As a result, consumers who failed to cancel were automatically enrolled as members and began incurring monthly charges. The complaint also alleges that Prodigy failed to obtain appropriate authorization before making electronic withdrawals from the accounts of consumers.

DATES: Comments must be received on or before July 14, 1997.

ADDRESSES: Comments should be directed to: FTC/Office of the Secretary, Room 159, 6th St. and Pa. Ave., Washington, DC 20580.

FOR FURTHER INFORMATION CONTACT: David Medine, Federal Trade Commission, S–4429, 6th St. and Pa. Ave., NW., Washington, DC 20580. (202) 326–3025. Lucy Morris, Federal Trade Commission, S–4429, 6th St. and Pa. Ave., Washington, DC 20580. (202) 326–3295.

Steven Silverman, Federal Trade Commission, S–4429, 6th St. and Pa. Ave., NW., Washington, DC 20580. (202) 326–2460.

SUPPLEMENTARY INFORMATION: Pursuant to Section 6(f) of the Federal Trade Commission Act, 38 Stat. 721, 15 U.S.C. 46, and Section 2.34 of the Commission's Rules of Practice (16 CFR 2.34), notice is hereby given that the above-captioned consent agreement containing a consent order to cease and desist, having been filed with and accepted, subject to final approval, by the Commission, has been placed on the public record for a period of sixty (60) days. The following Analysis to Aid Public Comment describes the terms of the consent agreement, and the allegations in the accompanying complaint. An electronic copy of the full text of the consent agreement package can be obtained from the Commission Actions section of the FTC Home Page (for May 1, 1997), on the World Wide Webb, at ''http://www.ftc.gov/os/actions/htm.'' A paper copy can be obtained from the FTC Public Reference Room, Room H–130, Sixth Street and Pennsylvania Avenue, NW., Washington, DC 20580, either in person or by calling (202) 326–3627. Public comment is invited. Such comments or views will be considered by the Commission and will be available for inspection and copying at its principal office in accordance with Section 4.9(b)(6)(ii) of the Commission's Rules of Practice (16 CFR 4.9(b)(6)(ii)).

Analysis of Proposed Consent Order To Aid Public Comment

The Federal Trade Commission has accepted, subject to final approval, an agreement to a proposed consent order from Prodigy Services Corporation (''Prodigy'').

The proposed consent order has been placed on the public record for sixty (60) days for reception of comments by interested persons. Comments received during this period will become part of the public record. After sixty (60) days, the Commission will again review the agreement and the comments received and will decide whether it should withdraw from the agreement or make final the agreement's proposed order.

The complaint alleges that Prodigy's advertisements and statements online to consumers violated the Federal Trade Commission Act (''FTC'' Act). Section 5 of the FTC Act prohibits false, misleading, or deceptive representations or omissions of material information. See 15 U.S.C. §§ 45–58, as amended. The complaint also alleges that

Prodigy's billing practices violated the Electronic Fund Transfer Act (''EFTA'') and its implementing Regulation E. Sections 907(a) of the EFTA and 205.10(b) of Regulation E permit preauthorized electronic transfers from consumer accounts only if such transfers are authorized by consumers in writing that are signed or similarly authenticated. See 15 U.S.C. § 1693e(b); 12 C.F.R § 205.10(d).

The complaint alleges that Prodigy represented that consumers who participate in its free trial offer will not be charged, provided only that they use the ten hours of allotted trial time within one month of their initial sign-on and do not exceed ten hours of online use. This representation is false, according to the complaint, because consumers who participate in Prodigy's free trial offer and use less than ten hours of online time during the month following their initial sign-on, but who fail to cancel their memberships during the trial period, incur charges. The complaint also alleges that Prodigy failed to disclose adequately to consumers that, upon completion of ten hours of online use or one month from the date of initial sign-on, whichever is earlier, consumers who fail to cancel are treated as members of Prodigy and are charged a monthly membership fee plus applicable usage fees. These fees continue until the consumers affirmatively cancel their memberships. These practices, according to the complaint constitute deceptive practices in violation of Section 5 of the FTC Act.

The complaint also alleges that, because Prodigy has debited consumers' accounts via their debit cards without their authorization, it violated Sections 907(a) of the EFTA and 205.10(b) of Regulation E. In addition, the complaint alleges that Prodigy failed to provide consumers with advance written notice of transfers from their accounts varying in amount from previous transfers, thereby violating Sections 907(b) of the EFTA and 205.10(d) of Regulation E.

The proposed consent order contains provisions designed to remedy the violations charged and to prevent Prodigy from engaging in similar acts and practices in the future. Specifically, Paragraph I of the proposed order prohibits Prodigy, in connection with advertising, promoting, selling, or distributing any online service, from misrepresenting the terms or conditions of any trial offer of such online service.

Paragraph II of the proposed consent order prohibits Prodigy, in connection with advertising, promoting, selling, or distributing any online service, from representing that the online service is ''free,'' ''without risk,'' ''without charge,'' ''without further obligation,'' or words of similar effect unless Prodigy discloses, ''clearly and prominently,'' any obligation to cancel or take other affirmative action to avoid charges for use of the Online Service.

Paragraph II also contains two provisos that set out the requirements of a ''clear and prominent'' disclosure. First, with respect to a covered representation made by Prodigy in detailed instructional materials distributed to consumers (*e.g.*, starter kits and guidebooks), the disclosure must be in a type size and in a location that are sufficiently noticeable so that an ordinary consumer could notice, read, and comprehend it. Second, as to representations made though other media, Prodigy must provide a statement directing consumers to a location where the required disclosure will be available (*e.g.*, ''For conditions and membership details,'' followed by: ''load up trial software'' or ''see registration process'' or words of similar effect). Audio statements shall be delivered in a volume and cadence sufficient for an ordinary consumer to notice, hear, and comprehend them. Video statements shall be of a size and shade and shall appear for a duration sufficient for an ordinary consumer to notice, read, and comprehend them. In the case of print media, the statement shall be in a type size and in a location sufficient for an ordinary consumer to notice, read, and comprehend it.

Paragraph III supplements Paragraph II. It provides that Prodigy, in connection with advertising, promoting, selling, or distributing any online service, shall disclose, ''clearly and prominently,'' during the final registration process, and prior to consumers incurring any financial obligation or liability, the terms of all mandatory financial obligations that will be incurred by consumers as a result of using such online service. Specifically, subparagraph III.A. requires Prodigy to disclose the financial terms and conditions of any plan (*e.g.*, trial offer) by which consumers enroll in or renew enrollment in the online service. Moreover, if such plan exists, Prodigy must disclose, ''clearly and prominently,'' any obligation to cancel or take other affirmative action to avoid charges and provide at least one reasonable means by which consumers may effectively cancel their enrollment. Subparagraph III.B. requires Prodigy to disclose any mandatory membership, enrollment, or usage fees (*e.g.*, monthly or hourly usage charges).

For purposes of Paragraph III, a disclosure is ''clearly and prominently'' made if it is of a size and shade, and appears for a duration sufficient for an ordinary consumer to notice, read, and comprehend it. The disclosure shall not be avoidable by consumers.

Paragraph IV requires Prodigy, in connection with an electronic fund transfer from a consumer account, to obtain authorization for the transfer, as required by Section 907(a) of the EFTA and Section 205.10(b) of Regulation E. In addition, Prodigy must provide advance notice of electronic fund transfers from consumer accounts that vary in amount from previous transfers, as required by Section 907(b) of the EFTA and Section 205.10(d) of Regulation E.

Paragraphs V through IX contain provisions generally found in Commission consent orders, including record-keeping requirements, distribution requirements, notice requirements, and a requirement that Prodigy submit a report setting forth the manner in which it has complied with the consent order.

Finally, Paragraph X contains a provision terminating the order, under ordinary circumstances, twenty years from the date of its issuance.

The purpose of this analysis is to facilitate public comment on the proposed order, and it is not intended to constitute an official interpretation of the agreement and proposed order or to modify in any way their terms.

Donald S. Clark,

Secretary.

[FR Doc. 97–12580 Filed 5–13–97; 8:45 am]

BILLING CODE 6750–01–M

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Office of the Secretary

Correction of Notice of Findings of Scientific Misconduct

AGENCY: Office of the Secretary, HHS.

ACTION: Correction.

SUMMARY: A Notice beginning on page 22950 in the issue of April 28, 1997, entitled ''Findings of Scientific Misconduct'' is hereby revised to correct the name of the University's organizational unit referenced in the original printing:

Weidong Sun, M.D., Ph.D., was a graduate student in the Department of Anatomy and Neurosciences (not the Department of Physiology), Medical College of Pennsylvania and Hahnemann University, at the time of misconduct.

FOR FURTHER INFORMATION CONTACT: