

SUBCHAPTER D—FLAMMABLE FABRICS ACT REGULATIONS

PART 1602—STATEMENTS OF POLICY OR INTERPRETATION

§ 1602.1 Enforcement policy.

(a) On May 14, 1973, the responsibilities of the Federal Trade Commission for enforcement of the Flammable Fabrics Act, as amended (15 U.S.C. 1191–1204), were transferred to the Consumer Product Safety Commission pursuant to section 30(b) of the Consumer Product Safety Act (Pub. L. 92–573), 86 Stat. 1231 (15 U.S.C. 2079(b)).

(b) The Consumer Product Safety Commission intends to discharge its responsibilities under the Flammable Fabrics Act vigorously, expeditiously, and without compromise in order to protect the public from the hazards to life, health, and property caused by dangerously flammable products.

(c) The Consumer Product Safety Commission has determined that its enforcement policy for the Flammable Fabrics Act, will be to have available for use in each case the full range of enforcement procedures under that act without qualification or modification. Accordingly, notice is given that the Consumer Product Safety Commission hereby institutes an enforcement policy of using in each case arising under the Flammable Fabrics Act any and all appropriate enforcement procedures available under that act.

(d) In order to effectuate this policy, the above stated policy has been adopted and substituted for any conflicting determinations and policies of the Federal Trade Commission. The following determinations and policies of the Federal Trade Commission insofar as they apply to this Commission are terminated and set aside pursuant to section 30(e)(2) of the Consumer Product Safety Act (86 Stat. 1232 (15 U.S.C. 2079(e)(2))):

(1) The Federal Trade Commission's "Flammable Fabrics Enforcement Policy" published as a notice in the FEDERAL REGISTER of November 10, 1971 (36 FR 21544), as amended by a notice published April 25, 1973 (38 FR 10184), which was corrected May 8, 1973 (38 FR 11492).

(2) Any Federal Trade Commission policy or directive modifying or inter-

preting said Enforcement Policy, as amended.

(e) All other rules, regulations, orders, and determinations of the Federal Trade Commission under the Flammable Fabrics Act will continue in effect until modified, terminated, superseded, set aside, or repealed by the Consumer Product Safety Commission, by any court of competent jurisdiction, or by operation of law.

(Sec. 1, *et seq.*, 81 Stat. 568–74 (15 U.S.C. 1191–1204, note under 1191))

[40 FR 59884, Dec. 30, 1975]

PART 1605—INVESTIGATIONS, INSPECTIONS AND INQUIRIES PURSUANT TO THE FLAMMABLE FABRICS ACT

Subpart A—Procedures for Investigations, Inspections and Inquiries

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Subpart B—Consent Order Agreements

- 1605.13 Procedures for Consent Order Agreements.

AUTHORITY: Sec. 5, 67 Stat. 112, as amended (15 U.S.C. 1194); sec. 6, 38 Stat. 721, as amended (15 U.S.C. 46); sec. 9, 38 Stat. 722, as amended (15 U.S.C. 49); sec. 10, 38 Stat. 723, as amended (15 U.S.C. 50); sec. 16, Pub. L. 92–573, 86 Stat. 1222 (15 U.S.C. 2065); sec. 27, Pub. L. 92–573, 86 Stat. 1227 (15 U.S.C. 2076); sec. 30(b), Pub. L. 92–573, 86 Stat. 1231 (15 U.S.C. 2079(b)); sec. 30(d), as amended, Pub. L. 94–284, 90 Stat. 510, (15 U.S.C. 2079(d)).

SOURCE: 42 FR 61023, Nov. 30, 1977, unless otherwise noted.

Subpart A—Procedures for Investigations, Inspections and Inquiries

§ 1605.1 Purposes, delegation, finding and how initiated.

(a) An investigation under these rules is an undertaking by the Commission to obtain information for the purposes of enforcing or determining compliance with the Flammable Fabrics Act (15 U.S.C. 1191 *et seq.*) (“FFA”); the regulations, rules, standards, and orders promulgated thereunder; and those sections of the Federal Trade Commission Act (15 U.S.C. 41 *et seq.*) (“FTCA”) which are relevant to the enforcement and administration of the Flammable Fabrics Act. The term investigation includes, but is not limited to inspections (§1605.2); investigational hearings (§1605.6); and inquiries, employing orders of access (§1605.4), subpoenas (§1605.5), depositions (§1605.7), written interrogatories (§1605.9), and general or special orders (§1605.10).

(b) An inspection as described in §1605.2 is initiated when the Commission or its delegee authorizes the issuance of a written notice of inspection (hereinafter notice), described in §1605.2(c). Investigations and inquiries will be initiated by the Commission in such manner as it deems proper.

(c) The Commission hereby delegates to the Associate Executive Director for Compliance and Enforcement, the Director of the Enforcement Division, the Solicitor, and the Directors of Area Offices, the power to initiate inspections in the same manner as the Commission.

(d) Finding. The Commission found on November 3, 1977 pursuant to section 30(d) of the Consumer Product Safety Act, as amended (“CPSA”) (15 U.S.C. 2079(d)) that the risk of injury associated with products regulated under the Flammable Fabrics Act cannot be eliminated or reduced to a sufficient extent by the issuance of procedures for investigations, inspections and inquiries under the Flammable Fabrics Act and the Federal Trade Commission Act (15 U.S.C. 41 *et seq.*). This finding is made to eliminate any confusion and uncertainty that may exist concerning the scope of the Commission’s statutory authority under

the Flammable Fabrics Act and Federal Trade Commission Act to conduct inspections and collect samples. The Commission is supplementing the authority granted to it under the FFA and FTCA with its powers under the CPSA while retaining the procedural safeguards and requirements of all of these acts. Accordingly, the Commission issues these rules pursuant to sections 16 and 27 of the CPSA (15 U.S.C. 2065 and 2076) and makes them applicable to products regulating under the FFA.

§ 1605.2 Conduct and scope of inspections.

(a) After an inspection is initiated as set forth in §1605.1, an officer or employee duly designated by the Commission shall issue the notice. Upon presenting such notice, along with appropriate credentials, to the person, or agent-in-charge of the sole proprietorship, partnership, or corporation to be inspected, the Commission officer or employee may seek, for the purposes set forth in §1605.1 (a):

(1) To enter, at reasonable times, any factory, warehouse, or establishment in which a product, fabric, or related material is manufactured, processed, packaged, tested or to which it is delivered or in which it is held in connection with its importation, introduction, distribution, transportation, receipt, and/or sale in commerce;

(2) To enter any conveyance being used to transport, deliver, or hold any such product, fabric, or related material in connection with its importation, introduction, distribution, transportation, receipt, and/or sale in commerce;

(3) To inspect at all reasonable times, in a reasonable manner, and within reasonable limits, any factory, warehouse, establishment, or conveyance described in paragraph (a) (1) and (2) of this section and all appropriate records, reports, books, documents and papers including, but not limited to, those relating to production, inventory, testing, distribution, sale, transportation, importation, or receipt of any product, fabric, or related material and all pertinent equipment, materials, substances, products, fabrics, related materials, containers, packages and

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packaging, and labels, and labeling therein:

(4) To have access to and copy at all reasonable times: (i) All records, reports, books, documents, papers, or labeling required by the Commission to be established, made, or maintained; (ii) all documents showing or relating to the production inventory, testing, distribution, sale, transportation, importation, or receipt of any product, fabric, or related material; and (iii) all other appropriate records, reports, books, documents, papers, packages and packaging, and labels and labeling;

(5) To obtain: (i) Information, both oral and written, concerning the production, inventory, testing, distribution, sale, transportation, importation or receipt of any product, fabric or related material and the organization, business, conduct, practices, and management of any person, sole proprietorship, partnership, or corporation being inspected and its relation to any other person, sole proprietorship, partnership, or corporation; (ii) samples of items, materials, substances, products, fabrics, related materials, containers, packages and packaging, labels and labeling, and have the same analyzed, tested, or examined; and (iii) information, both oral and written, concerning any matter referred to in these rules.

(b) A separate notice shall be given for each inspection, but a notice shall not be required for each entry made during the course of the same inspection. Each such inspection shall be commenced at a reasonable time and be completed within a reasonable time.

(c) The notice of inspection shall include: the name and address of the person, sole proprietorship, partnership, or corporation being inspected; the name and title of the inspector; the date and time of the anticipated entry; pertinent extracts from the statutory provisions upon which the right to access is based; pertinent extracts from the statutory provisions upon which the penalties for refusal of access are based; pertinent extracts from §1605.2 of these rules setting forth the authority of inspectors and the types of information and items they are authorized to obtain; a statement which sets forth the purposes of the inspection and the nature of the information and items to

be obtained and/or copied; and a statement that those from whom information is requested should state whether any of the information submitted is believed to contain or relate to a trade secret or other matter which should be considered by the Commission to be confidential in accordance with section 4(c) of the Flammable Fabrics Act (15 U.S.C. 1193(c)) and whether any of the information is believed to be entitled to exemption from disclosure by the Commission under the provisions of the Freedom of Information Act (5 U.S.C. 552) or section 6(f) of the Federal Trade Commission Act (15 U.S.C. 46(f)). Any statement asserting this claim of confidentiality must be in writing, and any request for exemption of the information from disclosure must be made in accordance with the Commission's Freedom of Information Act regulations, 16 CFR part 1015, 42 FR 10490, February 22, 1977 or as amended.

(d) If upon being presented with a notice, the person, or agent-in-charge of the sole proprietorship, partnership, or corporation being inspected fails to allow access to documentary evidence for the purpose of inspecting and making copies of such evidence, the inspector shall notify that individual that he or she may be in violation of the law and subject to the penalties therein and immediately thereafter refer such individual to the appropriate provisions of the notice which set forth such penalties. If the individual still refuses to comply, in whole or in part, with the authorized request for access, the inspector shall leave the premises; and the Commission shall take such action as it deems appropriate. If the person in charge refuses to accept the notice upon its presentation, the inspector shall affix the notice to a public entrance way on the premises.

§ 1605.3 Compulsory processes and the service thereof.

(a) In addition to or in lieu of authorizing the issuance of a notice, the Commission may elect to use any of the following means to initiate investigations, inspections, or inquiries to obtain information for the purposes set forth in §1605.1(a):

- (1) Orders for Access;
- (2) Subpoenas;

- (3) Investigational Hearings;
- (4) Depositions;
- (5) Written Interrogatories; and
- (6) General or special Orders.

(b) Service of notice in connection with any of the compulsory processes enumerated in §1605.3(a) shall be effected as follows:

(1) By personal service upon the person, or agent-in-charge of the sole proprietorship, partnership, or corporation being investigated, inspected, or inquired of; or

(2) By mail (registered or certified) or delivery to the last known residence or business address of anyone being investigated, inspected, or inquired of.

(c) The date of service of any form of compulsory process shall be the date on which the document is mailed, or delivered in person, whichever is applicable. Whenever a party is required or permitted to do an act within a prescribed period after service of a document and the document is served by mail, three (3) days shall be added to the prescribed period.

(d) These rules shall be referred to in any form of compulsory process served upon a person, sole proprietorship, partnership, or corporation.

(e) Anyone submitting information in response to any of the compulsory processes referred to in §1605.4(a) hereof should state whether any of the information submitted is believed to contain or relate to a trade secret or other matter which should be considered by the Commission to be confidential in accordance with section 4(c) of the Flammable Fabrics Act (15 U.S.C. 1193(c)) and whether any of the information is believed to be entitled to exemption from disclosure by the Commission under the provisions of the Freedom of Information Act (15 U.S.C. 552) or section 6(f) of the Federal Trade Commission Act (15 U.S.C. 46(f)). Any statement asserting this claim of confidentiality must be in writing, and any request for exemption of the information from disclosure must be made in accordance with the Commission's Freedom of Information Act regulations, 16 CFR part 1015, 42 FR 10490, February 22, 1977 or as amended.

§ 1605.4 Orders for access.

(a) In the event an inspection pursuant to §1605.2 herein is refused, in whole or in part, or prior to any such inspection, the Commission may issue an order requiring any person, sole proprietorship, partnership, or corporation to allow access to a duly-designated officer or employee of the Commission for the purpose of conducting an inspection. Such order will be issued by the Commission upon the demonstration by the staff of a justifiable need to gain access. Inspections conducted after service of an order for access shall be conducted in accordance with the procedures provided in §1605.2.

(b) After issuance of an order for access, the staff may, upon request of the recipient of the order, agree to modify the order to limit its scope, impose conditions or extend the time for compliance. If an agreement cannot be voluntarily reached, the recipient of the order may file a motion to limit or quash the order. Any such motion shall set forth the reasons why the order should be limited or quashed; and may be accompanied by memoranda, affidavits, or other documents submitted in support of the motion. Unless a different period of time for filing a motion is specified in the order, the motion must be received in the Office of the Secretary of the Commission within ten calendar days after the order is mailed or delivered in person to such person, sole proprietorship, partnership, or corporation unless the Commission, upon a showing of good cause, grants an extension of time within which to file a motion to limit or quash an order of access.

(c) Upon receipt of a motion to limit or quash the order for access, the Office of the Secretary shall immediately notify and transmit a copy of the motion to Associate Executive Director for Compliance and Enforcement or the General Counsel, as appropriate. Unless a different period of time is specified in the order, the Associate Executive Director for Compliance and Enforcement or General Counsel shall file an answer with the Office of the Secretary within ten calendar days after receipt of a copy of the motion. A copy of the answer shall be served upon the moving party or the counsel of the moving

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party. No reply to the answer will be permitted.

(d) All motions to limit or quash shall be ruled upon by the Commission. The Office of the Secretary shall serve the decision on the motion to limit or quash the order of access upon the moving party or the counsel of the moving party and shall furnish a copy of the decision to the Associate Executive Director for Compliance and Enforcement or the General Counsel, as appropriate. The decision on the motion to limit or quash shall be the final decision on the matter. Motions for reconsideration will not be received.

§ 1605.5 Subpoenas.

(a) The Commission may issue to any person, sole proprietorship, partnership, or corporation a subpoena requiring the production of documentary evidence (subpoena duces tecum) and/or the attendance and testimony of witnesses (subpoena ad testificandum) relating to any matter under investigation. The Commission hereby delegates to the Associate Executive Director for Compliance and Enforcement, the Director of the Enforcement Division, the Solicitor, or the General Counsel, depending upon which officer is involved with the subpoena, the power to negotiate and approve the terms of satisfactory compliance with such subpoena.

(b) The person, sole proprietorship, partnership, or corporation upon whom a subpoena is served may file a motion to limit or quash the subpoena. Any such motion shall set forth the reasons why the subpoena should be quashed or limited and may be accompanied by memoranda, affidavits, or other documents submitted in support of the motion. Unless a different period of time for filing a motion is specified in the subpoena, the motion must be received in the Office of the Secretary of the Commission within ten calendar days after the subpoena is mailed or delivered to such person, sole proprietorship, partnership, or corporation unless the Commission, upon a showing of good cause, grants an extension of time within which to file a motion to limit or quash a subpoena.

(c) Upon receipt of any such motion, the Office of the Secretary shall immediately notify and transmit a copy of

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the motion to the Associate Executive Director for Compliance and Enforcement or the General Counsel, as appropriate. Unless a different period of time is specified in the subpoena, the Associate Executive Director for Compliance and Enforcement or the General Counsel shall file an answer with the Office of the Secretary within ten calendar days after receipt of a copy of the motion. A copy of the answer shall be served upon the moving party or the counsel of the moving party. No reply to the answer will be permitted.

(d) All motions to limit or quash a subpoena shall be ruled upon by the Commission. The Office of the Secretary shall serve the decision on the motion to limit or quash the subpoena upon the moving party or the counsel of the moving party and shall furnish a copy of the decision to the Associate Executive Director for Compliance and Enforcement or the General Counsel, as appropriate. The decision on the motion to limit or quash shall be the final decision on the matter. Motions for reconsideration will not be received.

§ 1605.6 Investigational hearings.

(a) The Commission may order, and by subpoena, may compel any person, sole proprietorship, partnership, or corporation to provide information at an investigational hearing. Such hearings shall be for the purpose of taking the testimony, under oath, of witnesses and receiving documents and other data relating to any subject under investigation. Such hearings shall be presided over by the commission, by one or more of its members, an Administrative Law Judge, hearing examiner, attorney-examiner or by a duly designated officer or employee. The hearings shall be stenographically reported, and a transcript thereof shall be made a part of the record.

(b) A Commissioner who participates in such a hearing or other investigation, inspection, or inquiry shall not be disqualified by reason of such participation from subsequently sharing in a Commission decision in the matter.

(c) All investigational hearings shall be closed to the public, unless otherwise ordered by the Commission.

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(d) The release of the record of such hearing shall be governed by the Commission's regulations under the Freedom of Information Act, 5 U.S.C. 552, and/or other applicable laws or regulations.

§ 1605.7 Depositions.

(a) The Commission may order and, by subpoena, may compel testimony to be taken by deposition at any stage of any investigation. Such depositions may be taken before any person designated by the Commission who has the power to administer oaths. The testimony given shall be reduced to writing by the person taking the deposition or under such person's direction and shall then be submitted to the deponent for signature unless the deponent waives the right to sign the deposition. All depositions shall be closed to the public, unless otherwise ordered by the Commission. The release of the record of such depositions shall be governed by the Commission's regulations under the Freedom of Information Act, 5 U.S.C. 552, and/or other applicable laws or regulations.

(b) Any changes in form or substance which the deponent desires to make shall state the reasons for such changes. The deposition shall then be signed by the deponent, unless the deponent waives the right to sign, cannot be found, or is unable or refuses to sign. If the deposition is not signed by the deponent within 30 days of its submission to the deponent, or such shorter time as the Commission may designate, the Commission designee shall sign it and state on the record the fact of the waiver of the right to sign or of the illness or absence of the deponent, or the fact of the deponent's inability or refusal to sign together with the reason, if any, given therefor. The deposition referred to herein may be used in any investigation or any administrative or judicial adjudicative proceeding.

§ 1605.8 Rights of witnesses at investigational hearings and of deponents at depositions.

(a) Any person, or agent or officer of a sole proprietorship, partnership, or corporation who is required to produce documentary evidence or give testimony as a witness at an investiga-

tional hearing conducted under provisions of §1605.6 or as a deponent at a deposition taken in accordance with provisions of §1605.7 may be accompanied by an attorney or an official or employee of the person, sole proprietorship, partnership, or corporation, who may act as counsel for the witness or the deponent. However, a person who is subpoenaed to produce documentary evidence or give testimony at an investigational hearing or deposition cannot act as counsel for another witness or deponent at the same proceeding. The term attorney refers to members of the bar of a Federal Court or the courts of any State or Territory of the United States, the Commonwealth of Puerto Rico, or the District of Columbia. The witness or deponent and his or her counsel may act as follows during the course of an investigational hearing or deposition:

(1) A witness or deponent may confer, in confidence, with his or her counsel concerning any questions asked of the witness or deponent. If the witness or deponent or counsel objects to a question, the objection and basis thereof shall be stated on the record. In the case of an objection based upon the privilege against self incrimination, the privilege must be asserted by the witness or deponent. If a witness at an investigational hearing refuses to answer a question or provide other information, the presiding officer shall have the authority to immediately order the witness or deponent to answer the question or provide the information requested, except in circumstances where an immediate ruling would be unwarranted and except where such refusal is based upon the privilege against self incrimination, which shall be handled in accordance with the procedure set forth in 18 U.S.C. 6002 and 6004. Otherwise, all objections shall be ruled upon by the presiding officer at the time the objection is made.

(2) Objections timely made under the provisions of §1605.8(a) shall be noted on the record, shall be treated as continuing, and shall be preserved throughout the course of the proceeding without the necessity of repetition during similar lines of inquiry.

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(3) Except as provided by this § 1605.8(a), counsel for a witness or a deponent may not interrupt the examination of the witness or the deponent by making objections or statements on the record.

(4) Upon completion of the examination of a witness or a deponent, the witness or deponent may clarify on the record any of his or her answers.

(b) Any such person, agent, or officer who is required to appear in person at an investigational hearing or at a deposition shall testify as to matters and information known and/or reasonably available to the person, sole proprietorship, partnership, or corporation involved.

(c) Any such person, agent, or officer who is compelled by subpoena to appear in person at an investigational hearing or at a deposition shall receive the same fees and mileage allowances as are paid witnesses in the courts of the United States.

(d) Any such person, agent, or officer who is required to appear in person at an investigational hearing or at a deposition shall be entitled to retain a copy of any document submitted by him or her and, upon payment of lawfully prescribed costs, shall be entitled to procure a copy of his or her own testimony as recorded.

(e) The Commission designee who presides at an investigational hearing or before whom a deposition is taken shall take all necessary action to regulate the course of the hearing or the deposition, to avoid delay and to assure that reasonable standards of orderly and ethical conduct are maintained. Such designee shall, for reasons stated on the record, immediately report to the Commission any instance in which counsel for a witness or a deponent has refused to comply with the designee's directions, or to adhere to reasonable standards of orderly and ethical conduct in the course of the hearing or the deposition. The Commission shall thereupon take such action as the circumstances warrant.

§ 1605.9 Written interrogatories.

(a) The Commission may order any person, sole proprietorship, partnership, or corporation being investigated to answer written interrogatories.

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Such interrogatories shall be answered by the individual or by any agent or officer of the sole proprietorship, partnership, or corporation who shall furnish information on behalf of the sole proprietorship, partnership, or corporation. The information provided shall be that which is known or reasonably available to the person or organization involved and shall be submitted after reasonable inquiry to obtain the information requested.

(b) Each interrogatory shall be answered separately and fully in writing, under oath, unless it is objected to, in which event the reason for the objection shall be stated in lieu of an answer. The answers shall be signed by the individual or the officer or agent making them. The person, sole proprietorship, partnership, or corporation upon whom the interrogatories have been served shall furnish the Commission a copy of the answers and objections, if any, within 30 days after service of the interrogatories or within such shorter time as the commission may designate. Interrogatories submitted hereunder are continuing in character so as to require the person, sole proprietorship, partnership, or corporation answering to file supplementary answers upon obtaining further or different information.

§ 1605.10 General or special orders seeking information.

The Commission may require by the issuance of general or special orders, any person, sole proprietorship, partnership, or corporation to file with the Commission in such form as the Commission may prescribe annual and/or special reports or answers in writing to specific questions which furnish to the Commission such information as it may require as to its organization, business, conduct, practices, management, and relation to any person, sole proprietorship, partnership, or corporation. Such reports and answers shall be made under oath, or otherwise, as the Commission may prescribe and shall be filed with the Commission within such time as the Commission may prescribe, unless additional time may be granted in any case by the Commission.

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§ 1605.11 Remedies for failure to permit authorized investigations.

In the event of failure to comply with any investigative process authorized by these rules, the Commission may seek appropriate action pursuant to the authority conferred by the Federal Trade Commission Act, including actions for enforcement, forfeitures, penalties, or criminal sanctions.

§ 1605.12 Nonexclusive delegation of power.

No provision contained herein delegating any of the Commission's powers shall be construed as limiting the actual authority of the Commission to exercise the same powers.

Subpart B—Consent Order Agreements

§ 1605.13 Procedures for Consent Order Agreements.

(a) The Consent Order Agreement is a document executed by a person, sole proprietorship, partnership, or corporation (Consenting Party) and a Commission staff representative which incorporates both a proposed complaint setting forth the staff's charges and a proposed order by which such charges are resolved. A consent order agreement shall contain the following provisions, as appropriate:

(1) An admission of all jurisdictional facts by the consenting parties;

(2) A waiver of any rights to an administrative or judicial hearing and of any other procedural steps including any rights to seek judicial review or otherwise challenge or contest the validity of the Commission's order;

(3) A statement that the agreement is in settlement of the staff's charges and does not constitute an admission by the Consenting Party that the law has been violated;

(4) A statement that the Commission's order is issued under the provisions of the Federal Trade Commission Act (15 U.S.C. 41 *et seq.*), the Flammable Fabrics Act (15 U.S.C. 1191 *et seq.*), and the Consumer Product Safety Act (15 U.S.C. 2051 *et seq.*) and that a violation of such an order subjects the Consenting Party to civil penalties under the provisions of the Federal Trade Commission Act;

(5) An acknowledgement that the consent order agreement only becomes effective upon its final acceptance by the Commission and its service upon the Consenting Party;

(6) An acknowledgement that the Commission may disclose terms of the consent order agreement to the public;

(7) A statement that the Consulting Party shall cease and desist from certain acts and practices;

(8) A statement that the Consenting Party shall perform certain acts and practices pursuant to the consent order agreement;

(9) An acknowledgement that the requirements of the order are in addition to, and not to the exclusion of, other remedies such as criminal penalties which may be pursued under section 7 of the Flammable Fabrics Act.

(b) At any time in the course of an investigation, the staff, with the approval of the Commission may propose to the person, sole proprietorship, partnership, or corporation being investigated, that any alleged violation be resolved by an agreement containing a consent order. Additionally, such a proposal may be made to the Commission staff by such person, sole proprietorship, partnership, or corporation.

(c) Upon receiving an executed agreement, the Commission may: (1) Provisionally accept it; (2) reject it and issue its complaint (in which case the matter will be scheduled for hearing in accordance with the Commission's Rules of Practice for Adjudicative Proceedings (16 CFR part 1025, June 21, 1977, or as later revised)); or (3) take such other action as it may deem appropriate.

(d) If the agreement is provisionally accepted, the Commission shall place the agreement on the public record and shall announce provisional acceptance of the agreement in the FEDERAL REGISTER. Any interested person may ask the Commission not to accept the agreement by filing a request in the office of the Secretary. Such request must be received in the Office of the Secretary no later than the close of business of the fifteenth calendar day following the date the announcement is published in the FEDERAL REGISTER.

(e) Unless the Commission orders otherwise, the agreement shall be

deemed finally accepted by the Commission on the 20th calendar day after the date of announcement in the FEDERAL REGISTER. The Commission shall then issue its complaint and order in such form as the circumstances, may require. The order is a final order in disposition of the proceeding and is effective immediately upon its service upon the Consenting Party pursuant to these rules. The Consenting Party shall thereafter be bound by and take immediate action in accordance with such final order.

(f) If the Commission does not accept the agreement on a final basis, it shall so notify the Consenting Party. Such notification constitutes withdrawal of the Commission's provisional acceptance unless the Commission orders otherwise. The Commission may then issue its complaint, may order further investigation, or may take such other action it considers appropriate.

PART 1608—GENERAL RULES AND REGULATIONS UNDER THE FLAMMABLE FABRICS ACT

Sec.

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AUTHORITY: Sec. 5, 67 Stat. 112, as amended, 81 Stat. 570, 15 U.S.C. 1194.

SOURCE: 40 FR 59887, Dec. 30, 1975, unless otherwise noted.

§ 1608.0 Scope.

The rules and regulations in this part are applicable to all standards issued under the Flammable Fabrics Act.

§ 1608.1 Terms defined.

As used in the rules and regulations in this subchapter D, unless the context otherwise specifically requires:

(a) The term *act* means the Flammable Fabrics Act, sec. 1 *et seq.*, 67 Stat. 111-115, as amended, 68 Stat. 770, 81 Stat. 568-74 (15 U.S.C. 1191-1204, note under 1191).

(b) The terms *rule*, *rules*, *regulations*, and *rules and regulations*, mean the rules and regulations prescribed by the Commission pursuant to section 5(c) of the act.

(c) The term *United States* means, the several States, the District of Columbia, the Commonwealth of Puerto Rico and the Territories and Possessions of the United States.

(d) The terms *marketing or handling* means the transactions referred to in section 3 of the act.

(e) The definition of terms contained in section 2 of the act shall be applicable also to such terms when used in rules promulgated under the act.

§ 1608.2 Form of separate guaranty.

The forms which follow are suggested forms of separate guaranties under section 8 of the act for use by guarantors residing in the United States. Representations contained in these suggested forms of separate guaranties with respect to reasonable and representative tests may be based upon a guaranty received and relied upon in good faith by the guarantor, tests performed by or for a guarantor, or class tests, where permitted under these rules. Where the forms are used as part of an invoice or other paper relating to the marketing or handling of products, fabrics, or related materials subject to the act, wording may be varied to limit the guaranty to specific items in such invoice or other paper. The name, address of the guarantor, and date on the invoice or other paper will suffice to meet the signature, address, and date requirements indicated on the forms.

(a) *General form.*

The undersigned hereby guarantees that reasonable and representative tests, made in accordance with procedures prescribed and applicable standards or regulations issued, amended, or continued in effect under the Flammable Fabrics Act, as amended, show that the product, fabric, or related material covered and identified by, and in the form delivered under this document conforms to the applicable standard or regulation issued, amended, or continued in effect.

Date: _____
Name _____
Address _____

(b) *Form for guaranty based on guaranty.*