

This rule contains no Federal mandates, as defined in Title II of UMRA, for State, local, and Tribal governments or the private sector. Therefore, this rule is not subject to the requirements of sections 202 and 205 of UMRA.

Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA)

This rule is not a major rule under the Small Business Regulatory Enforcement Fairness Act of 1996, (Pub. L. 104-121, SBREFA). Therefore, CCC is not required to delay the effective date for 60 days from the date of publication to allow for Congressional review. Accordingly, this rule is effective on the date of publication in the **Federal Register**.

Federal Assistance Programs

The title and number of the Federal Domestic Assistance Program found in the Catalog of Federal Domestic Assistance to which this rule applies is Tobacco Transition Payment Program—10.085.

Paperwork Reduction Act

These regulations are exempt from the requirements of the Paperwork Reduction Act (44 U.S.C. Chapter 35), as specified in section 642 of Public Law 108-357 (7 U.S.C. 519a), which provides that these regulations, which are necessary to implement TTPP, be promulgated and administered without regard to the Paperwork Reduction Act.

E-Government Act Compliance

CCC is committed to complying with the E-Government Act, to promote the use of the Internet and other information technologies to provide increased opportunities for citizen access to Government information and services, and for other purposes.

List of Subjects in 7 CFR Part 1463

Agriculture, Agricultural commodities, Acreage allotments, Marketing quotas, Price support programs, Tobacco, Tobacco transition payments.

For the reasons discussed in the preamble, CCC amends 7 CFR part 1463 as follows:

PART 1463—2005–2014 TOBACCO TRANSITION PROGRAM

■ 1. The authority citation for part 1463 continues to read as follows:

Authority: 7 U.S.C. 518–519a, 714b, and 714c.

Subpart A—Tobacco Transition Assessments

■ 2. Amend § 1463.11 by revising paragraphs (a) and (c) to read as follows:

§ 1463.11 Appeals and judicial review.

(a) An entity may appeal any adverse determination made under this subpart, including with respect to the amount of the assessment, by submitting a written statement that sets forth the basis of the dispute to Darlene Soto, Tobacco Transition Assessment Program Manager, U.S. Department of Agriculture, 1400 Independence Avenue SW., Room 3722, Mail Stop 0515, Washington DC 20250-0514, within 30 business days of the date of receipt of the notification by CCC of its determination.

* * * * *

(c) For any appeals filed after October 1, 2014, appellants must submit all supporting documentation within 30 calendar days following the date of the initial written appeal to CCC. Any documents received after that time will not be considered by the hearing officer.

(1) The final date that entities may file an appeal is January 14, 2016.

(2) If 30 calendar days elapse following receipt by CCC of the final submission of supporting documentation by an appellant with respect to any appeal filed under this section regarding an assessment imposed on a domestic manufacturer or importer of tobacco products, without a final administrative decision by CCC, then all administrative remedies available to the appellant will be deemed to be exhausted; except, if the 30th calendar day would fall on a weekend day or federal holiday, then the 30th calendar day will be deemed the next business day following such weekend day or federal holiday.

* * * * *

Signed on April 3, 2014.

Juan M. Garcia,

Administrator, Farm Service Agency, and Executive Vice President, Commodity Credit Corporation.

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FEDERAL TRADE COMMISSION

16 CFR Part 305

RIN 3084-AB15

Energy and Water Use Labeling for Consumer Products Under the Energy Policy and Conservation Act (“Energy Labeling Rule”)

AGENCY: Federal Trade Commission (FTC or Commission).

ACTION: Final rule.

SUMMARY: The Commission issues conforming amendments to the Energy Labeling Rule (“Rule”) to require a new Department of Energy (DOE) test procedure for televisions and establish data reporting requirements for those products.

DATES: The amendments are effective on May 9, 2014.

ADDRESSES: Requests for copies of this document should be sent to: Public Reference Branch, Room 130, Federal Trade Commission, 600 Pennsylvania Avenue NW., Washington, DC 20580. The complete record of this proceeding is also available at that address. Relevant portions of the proceeding, including this document, are available at <http://www.ftc.gov>.

FOR FURTHER INFORMATION CONTACT: Hampton Newsome, (202) 326-2889, Attorney, Division of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW., Washington, DC 20580.

SUPPLEMENTARY INFORMATION:

I. Background

The Commission’s Energy Labeling Rule (Rule) (16 CFR part 305), issued pursuant to the Energy Policy and Conservation Act (EPCA), requires energy labeling for major household appliances and other consumer products to help consumers compare competing models. When first published in 1979, the Rule applied to eight product categories: refrigerators, refrigerator-freezers, freezers, dishwashers, water heaters, clothes washers, room air conditioners, and furnaces. The Commission has since expanded the Rule’s coverage to include central air conditioners, heat pumps, plumbing products, lighting products, ceiling fans, certain types of water heaters, and televisions.

The Rule requires manufacturers to attach yellow EnergyGuide labels on many of these products, and prohibits retailers from removing the labels or rendering them illegible. In addition, the Rule directs sellers, including retailers, to post label information on

Web sites and in paper catalogs from which consumers can order products. EnergyGuide labels for covered appliances must contain three key disclosures: estimated annual energy cost (for most products); a product's energy consumption or energy efficiency rating as determined from DOE test procedures; and a comparability range displaying the highest and lowest energy costs or efficiency ratings for all similar models.¹ For energy cost calculations, the Rule specifies national average costs for applicable energy sources (e.g., electricity, natural gas, oil) as calculated by DOE. The Rule sets a five-year schedule for updating range of comparability and average unit energy cost information.² The Commission updates the range information based on manufacturer data submitted pursuant to the Rule's reporting requirements.

II. Final Amendments

The Commission issues conforming amendments to revise the Rule's television testing and reporting requirements in response to a new DOE television test procedure published on October 25, 2013 (78 FR 63823). The Commission proposed these amendments in a Notice published on December 26, 2013 (78 FR 78305) and received two comments.³ These amendments will ensure the Rule's television labeling requirements are consistent with EPCA, which mandates that FTC labels reflect applicable DOE test procedures.⁴

Background: When the Commission first issued labeling requirements for televisions in 2011 (76 FR 1038 (Jan. 6, 2011)), no DOE test procedure existed for such products. Accordingly, the FTC required manufacturers to use the Environmental Protection Agency's (EPA's) ENERGY STAR test procedure to measure television energy use. However, as discussed in several previous **Federal Register** documents, the Commission anticipated that amendments would be necessary after completion of the DOE test procedure.⁵

¹ Where no "applicable" DOE test exists for televisions, EPCA authorizes the Commission to use "adequate non-Department of Energy test procedures" to obtain information for energy disclosures. 42 U.S.C. 6294(a)(2)(I)(ii). During FTC's television labeling proceeding, DOE announced plans to develop a new test procedure. 74 FR 53640, 53641 (Oct. 20, 2009).

² 16 CFR 305.10.

³ The comments can be found at <http://www.ftc.gov/policy/public-comments/initiative-539>.

⁴ 42 U.S.C. 6294(c).

⁵ For example, the Commission explained in 2011 that "[w]hen DOE completes its own rulemaking to develop a television test procedure for use in that agency's efficiency standards program, the

DOE recently completed its test procedure, which manufacturers must begin using on April 23, 2014.⁶

To conform the labeling rule to the new DOE test procedure, the Commission proposed three amendments. First, it proposed removing the Rule's reference to the ENERGY STAR test in section 305.5 and replacing it with the DOE procedure.⁷ Second, the Commission proposed a new reporting requirement for televisions consistent with requirements for most other labeled products, such as refrigerators and clothes washers.⁸ Manufacturers would be allowed to submit their new television data through the DOE's web-based reporting tool, the Compliance and Certification Management System (CCMS).⁹ To ensure adequate time after April 23, 2014 for the first round of data reports, the Commission proposed to set a May 1 date for annual submissions (section 305.8). After the Commission reviews the new data, it will consider issuing updated comparability ranges for television labels.¹⁰ Finally, the amendments update the definition of "television" in section 305.3 to incorporate DOE's definition of that term and to limit labeling coverage to the scope of DOE's test procedure. For the most part, DOE's definition of "television" and the coverage of its test procedure are consistent with FTC's current rule. However, DOE determined not to cover very small models with screen sizes of 15 inches or less in its procedure because consumers often do

Commission will issue conforming amendments consistent with EPCA's requirements that the labels use information from DOE test procedures when such procedures are available." 76 FR 1038, 1040 (Jan. 6, 2011). See also 78 FR 43974, 43975 (July 23, 2013); 78 FR 1779, 1780 (Jan. 9, 2013).

⁶ Any energy representation, including those made on a label, for a covered product must fairly reflect the results of a new DOE test procedure 180 days after that test's issuance. See 42 U.S.C. 6293(c)(2). In its October 25, 2013 Rule, DOE identified April 23, 2014 as the date for revised representations.

⁷ EPCA gives Commission no discretion to retain the ENERGY STAR procedure. 42 U.S.C. 6294(a)(2)(I).

⁸ The new DOE test procedure triggers EPCA's reporting provisions, which require manufacturers to submit energy reports to the Commission derived from DOE test procedures for all new models and annually for models in current production. 42 U.S.C. 6296(b)(1) and (4). Consistent with the Rule's required reports for other covered products, the content for the television reports in the final amendments include brand name; model number; screen size (diagonal in inches); power (in watts) consumed in on mode, standby-passive mode, in standby-active mode, low mode, and off mode; and annual energy consumption (kWh/year) for each basic model in current production. Currently, DOE rules do not contain reporting provisions for televisions.

⁹ See <https://www.regulations.doe.gov/ccms>.

¹⁰ Section 305.17 contains the television ranges.

not use such devices as typical televisions.¹¹

Comments: The commenters did not oppose the amendments. However, they raised three minor issues.¹² First, CEA and Panasonic asked whether models discontinued in the previous year should be included in the initial 2014 data report. Second, Panasonic asked whether manufacturers may report energy use figures that are more conservative (i.e., showing higher energy use) than the test values. Finally, CEA, though recognizing EPCA's mandate to tie television labeling to the DOE test procedure, noted that the DOE test procedure may not keep pace with the market and thus may pose challenges to the quality and credibility of the EnergyGuide and ENERGY STAR programs in the future.

Discussion: The Commission issues the final amendments mostly as proposed in the December 26, 2013 Proposed Rule. However, to ensure manufacturers have adequate time to submit reports this year, the Commission has set the annual reporting date for June 1, instead of May 1. In response to comments, the Commission advises that the initial 2014 data submissions need only include models currently in production, and manufacturers should not include test data for models already discontinued. In addition, as discussed in a final rule last year, the Commission concurs with DOE guidance allowing manufacturers to rate models more conservatively than the tested performance.¹³ Finally, while the FTC is obligated to require the DOE test procedure, the FTC staff will work with DOE to identify the need for possible test procedure changes should they become necessary in the future.¹⁴

III. Paperwork Reduction Act

The current Rule contains recordkeeping, disclosure, testing, and reporting requirements that constitute information collection requirements as

¹¹ See 10 CFR 430.2 and App. H, sec. 1; 78 FR at 63825–26. The amendments also delete obsolete subparagraph 305.17(h), which contains specific labeling directions for televisions of nine inches or fewer.

¹² CEA also provided comments on two issues they had raised before the Commission earlier as part of the ongoing regulatory review. See CEA Comments (#560957–00012). In particular, the commenters urged the Commission to allow electronic (i.e., paperless) labeling and to eliminate ranges of comparability on labels.

¹³ See 78 FR 2200, 2201 (Jan. 10, 2013) (FTC guidance); 76 FR 12422, 12429 (Mar. 7, 2011) (DOE policy); and 10 CFR 429.14(a)(2)(i) (DOE rules).

¹⁴ The Commission will address the CEA's broader concerns about electronic labeling and comparability ranges separately as part of the ongoing regulation review.

defined by 5 CFR 1320.3(c), the definitional provision within the Office of Management and Budget (OMB) regulations that implement the Paperwork Reduction Act (PRA). OMB has approved the Rule's existing information collection requirements through February 29, 2016 (OMB Control No. 3084-0069). The Commission accounted for the burden of testing and labeling televisions when it first issued the labeling requirements (76 FR 1038 (Jan. 6, 2011)). However, the new DOE test procedure triggers EPCA's requirement that manufacturers retest their televisions for any energy representations made 180 days after DOE publishes the test, including those on the FTC label. This creates an additional, one-time burden. Accordingly, the Commission is submitting these amendments to OMB for review.

In issuing the television labels, FTC staff estimated that 2,000 basic models exist in the marketplace, that manufacturers test two units per model, and that testing requires one hour per unit tested. Using these estimates, the Commission expects the new testing will require a one-time burden of 4,000 additional hours of burden. Annualized over a 3-year PRA clearance cycle, this one-time burden amounts to 1,333 hours. Assuming further that this testing will be implemented by electrical engineers, and applying an associated hourly wage rate of \$44.14 per hour, labor costs for testing would annualized total of \$58,839.¹⁵ In addition, the amendments would increase the Rule's reporting requirements. Staff estimates that the average reporting burden for these manufacturers is approximately two minutes per basic model to enter information into DOE's online database. Based on this estimate, multiplied by an estimated total of 2,000 basic television models, the annual reporting burden for manufacturers is an estimated 67 hours (2 minutes \times 2,000 models \div 60 minutes per hour). Assuming further that these filing requirements will be implemented by data entry workers at an hourly wage rate of \$15.11 per hour, the associated labor cost for recordkeeping would be approximately \$1,012 per year.¹⁶ Any non-labor costs associated with the amendments are likely to be minimal.

¹⁵ See Bureau of Labor Statistics, U.S. Department of Labor, Occupational Employment and Wages—May 2012, Table 1 (National employment and wage data from the Occupational Employment Statistics survey by occupation, May 2012), available at: <http://www.bls.gov/news.release/ocwage.t01.htm>.

¹⁶ See *id.*

IV. Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA), 5 U.S.C. 601–612, requires that the Commission provide an Initial Regulatory Flexibility Analysis (IRFA) with a Proposed Rule and a Final Regulatory Flexibility Analysis (FRFA), if any, with the Final Rule, unless the Commission certifies that the Rule will not have a significant economic impact on a substantial number of small entities.¹⁷

The Commission does not anticipate that the Final Rule will have a significant economic impact on a substantial number of small entities. Consistent with past analysis (76 FR at 1049), the Commission estimates that these new requirements will apply to about 30 product manufacturers. Out of these companies, the Commission expects that no manufacturers qualify as small businesses.¹⁸ Furthermore, the Commission does not expect that the requirements specified in the Final Rule will have a significant economic impact on these entities.

Although the Commission certified under the RFA that the amendments would not, if promulgated, have a significant economic impact on a substantial number of small entities, the Commission has determined, nonetheless, that it is appropriate to publish an FRFA in order to explain the impact of the amendments on small entities as follows:

A. Statement of the Need for, and Objectives of, the Amendments

The Commission is proposing amendments to conform the Rule to a recently published DOE test procedure for televisions.

B. Issues Raised by Comments in Response to the IRFA

The Commission did not receive any comments specifically related to the impact of the final amendments on small businesses. The Commission did not receive any comments from the Small Business Administration in response to the proposed rule.

C. Estimate of Number of Small Entities to Which the Amendments Will Apply

Under the Small Business Size Standards issued by the Small Business Administration, television manufacturers qualify as small businesses if they have fewer than 1,000 employees (for other household appliances the figure is 500 employees)

¹⁷ 5 U.S.C. 603–605.

¹⁸ See also 78 FR at 63838 (DOE's conclusion that no television manufacturers qualify as small businesses).

or if their sales are less than \$8.0 million annually. The Commission believes that no manufacturers subject to the Final Rule qualify as small businesses.

D. Projected Reporting, Recordkeeping, and Other Compliance Requirements

The Commission recognizes that the Final Rule will involve some increased costs related to reporting these products, and maintaining test records. All of these burdens and the skills required to comply are discussed in the previous section of this document, regarding the Paperwork Reduction Act, and there should be no difference in that burden as applied to small businesses.

E. Alternatives

The Commission sought comments on alternatives to the Proposed Rule, including a delay in the effective dates for the amendments. However, no commenters suggested any changes to the proposed amendments. Accordingly, the Commission issues the amendments as proposed.

Final Rule

List of Subjects in 16 CFR Part 305

Advertising, Energy conservation, Household appliances, Labeling, Reporting and recordkeeping requirements.

For the reasons set out above, the Commission amends 16 CFR part 305 as follows:

PART 305—ENERGY AND WATER USE LABELING FOR CONSUMER PRODUCTS UNDER THE ENERGY POLICY AND CONSERVATION ACT (“ENERGY LABELING RULE”)

- 1. The authority citation for part 305 continues to read as follows:

Authority: 42 U.S.C. 6294.

- 2. In § 305.3, revise paragraph (y) to read as follows:

§ 305.3 Description of covered products.

* * * * *

(y) *Television* means a product that is designed to produce dynamic video, contains an internal TV tuner encased within the product housing, and is capable of receiving dynamic visual content from wired or wireless sources including but not limited to: broadcast and similar services for terrestrial, cable, satellite, and/or broadband transmission of analog and/or digital signals; and/or display-specific data connections, such as HDMI, Component video, S-video, Composite video; and/or media storage devices such as a USB flash drive, memory card, or a DVD; and/or network

connections, usually using Internet Protocol, typically carried over Ethernet or Wi-Fi. The requirements of this part are limited to those televisions for which the Department of Energy has adopted and published test procedures for measuring energy use.

■ 3. In § 305.5, revise paragraph (d) and remove paragraph (e), as follows:

§ 305.5 Determinations of estimated annual energy consumption, estimated annual operating cost, and energy efficiency rating, water use rate, and other required disclosure content.

* * * * *

(d) Representations for ceiling fans under § 305.13 and televisions under § 305.17 must be derived from applicable procedures in 10 CFR parts 429, 430, and 431.

■ 4. In § 305.8, revise paragraphs (a)(1) and (3), add new paragraph (a)(4), and revise paragraph (b)(1) to read as follows:

§ 305.8 Submission of data.

(a)(1) Except as provided in paragraphs (a)(2) through (4) of this section, each manufacturer of a covered product subject to the disclosure requirements of this part and subject to Department of Energy certification requirements in 10 CFR part 429 shall submit annually a report for each model in current production containing the same information that must be submitted to the Department of Energy pursuant to 10 CFR part 429 for that product, and that the Department has identified as public information pursuant to 10 CFR part 429. In lieu of submitting the required information to the Commission as required by this section, manufacturers may submit such information to the Department of Energy via the CCMS at <https://regulations.doe.gov/ccms> as provided by 10 CFR 429.12.

* * * * *

(3) Manufacturers of televisions shall submit annually a report containing the brand name; model number; screen size

(diagonal in inches); power (in watts) consumed in on mode, standby-passive mode, in standby-active mode, low mode, and off mode; and annual energy consumption (kWh/year) for each basic model in current production. The report should also include a starting serial number, date code, or other means of identifying the date of manufacture with the first submission for each basic model. In lieu of submitting the required information to the Commission as required by this section, manufacturers may submit such information to the Department of Energy via the Compliance and Certification Management System (CCMS) at <https://regulations.doe.gov/ccms> as provided by 10 CFR 429.12.

(4) This section does not require reports for general service light-emitting diode (LED or OLED) lamps.

(b)(1) All data required by § 305.8(a) except serial numbers shall be submitted to the Commission annually, on or before the following dates:

Product category	Deadline for data submission
Refrigerators	Aug. 1.
Refrigerators-freezers	Aug. 1.
Freezers	Aug. 1.
Central air conditioners	July 1.
Heat pumps	July 1.
Dishwashers	June 1.
Water heaters	May 1.
Room air conditioners	July 1.
Furnaces	May 1.
Pool heaters	May 1.
Clothes washers	Oct. 1.
Fluorescent lamp ballasts	Mar. 1.
Showerheads	Mar. 1.
Faucets	Mar. 1.
Water closets	Mar. 1.
Ceiling fans	Mar. 1.
Urinals	Mar. 1.
Metal halide lamp fixtures	Sept. 1.
General service fluorescent lamps	Mar. 1.
Medium base compact fluorescent lamps	Mar. 1.
General service incandescent lamps	Mar. 1.
Televisions	June 1.

* * * * *

§ 305.17—[Amended]

■ 5. In § 305.17, remove paragraph (h).

By direction of the Commission.

Donald S. Clark,

Secretary.

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DEPARTMENT OF DEFENSE

Office of the Secretary

32 CFR Part 117

[Docket ID: DOD-2011-OS-0063]

RIN 0790-AI71

National Industrial Security Program

AGENCY: Department of Defense (DoD).

ACTION: Interim final rule.

SUMMARY: This DoD interim final rule (rule) assigns responsibilities and

establishes requirements related to the National Industrial Security Program (NISP) to ensure maximum uniformity and effectiveness for both DoD and non-DoD Components, as defined in this rule, for which the Department serves as the Cognizant Security Agency (CSA) and provides industrial security services in accordance with Executive Order (EO) 12829, "National Industrial Security Program." The rule provides guidance on the procedures used to ensure classified information will be properly safeguarded if a contractor has reported foreign ownership, control or