

**FEDERAL RESERVE SYSTEM****Agency Information Collection Activities: Announcement of Board Approval Under Delegated Authority and Submission to OMB**

**AGENCY:** Board of Governors of the Federal Reserve System

**SUMMARY**

*Background.* Notice is hereby given of the final approval of proposed information collections by the Board of Governors of the Federal Reserve System (Board) under OMB delegated authority, as per 5 CFR 1320.16 (OMB Regulations on Controlling Paperwork Burdens on the Public). Board-approved collections of information incorporated into the official OMB inventory of currently approved collections of information. Copies of the OMB 83-Is and supporting statements and approved collection of information instruments are placed into OMB's public docket files. The Federal Reserve may not conduct or sponsor, and the respondent is not required to respond to, an information collection that has been extended, revised, or implemented on or after October 1, 1995, unless it displays a currently valid OMB control number.

**FOR FURTHER INFORMATION CONTACT:**

Chief, Financial Reports Section—Mary M. West—Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, DC 20551. (202-452-3829) Telecommunications Device for the Deaf (TDD) users may contact Diane Jenkins (202-452-3544), Board of Governors of the Federal Reserve System, Washington, DC 20551. OMB Desk Officer—Alexander T. Hunt—Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 3208, Washington, DC 20503 (202-395-7860)

**Final approval under OMB delegated authority of the extension for three years, without revision, of the following report:**

*1. Report title:* Report of Net Debit Cap  
*Agency form number:* FR 2226  
*OMB control number:* 7100-0217  
*Frequency:* annual  
*Reporters:* depository institutions, Edge and agreement corporations, U.S. branches and agencies of foreign banks  
*Annual reporting hours:* 2,160  
*Estimated average hours per response:* 1.0

*Number of respondents:* 2,160  
Small businesses are not affected.

*General description of report:* This information collection is mandatory (12

U.S.C. 248(i), 248-l, and 464) and is given confidential treatment (5 U.S.C. 552 (b)(4)).

*Abstract:* The Federal Reserve's payment system risk reduction policy relies in part on the efforts of individual institutions to identify, control, and reduce their exposure. Institutions that incur daylight overdrafts in their Federal Reserve accounts and wish to establish a capacity for overdrafts greater than that afforded by an exempt cap, or that use interaffiliate transfer arrangements, submit the FR 2226 resolutions.

**Final approval under OMB delegated authority of the extension for three years, with minor revision, of the following reports:**

*1. Report title:* Annual Daylight Overdraft Capital Report for U.S. Branches and Agencies of Foreign Banks  
*Agency form number:* FR 2225  
*OMB control number:* 7100-0216  
*Frequency:* annual  
*Reporters:* foreign banks with U.S. branches or agencies  
*Annual reporting hours:* 50  
*Estimated average hours per response:* 1.0

*Number of respondents:* 50  
Small businesses are not affected.

*General description of report:* This information collection is voluntary (12 U.S.C. 248(i), 248-l, and 464) and is not given confidential treatment.

*Abstract:* This report was implemented in March 1986 as part of the procedures used to administer the Federal Reserve's Payments System Risk Policy. Foreign banks with U.S. branches or agencies have the option of filing the FR 2225 to provide the Federal Reserve with their parent bank's worldwide capital figure. A percentage of this figure is used in place of publicly available data to calculate the bank's daylight overdraft limit. Because the FR 2225 data are based on the capital of the worldwide bank, not just its United States offices, foreign banks seeking to maximize their daylight overdraft limit may find it advantageous to file the FR 2225.

Currently the FR 2225 data are treated as confidential. Because much of the data reported by respondents is publicly available, however, the Federal Reserve has determined upon review that it does not have the authority to treat all reports filed as confidential. The Federal Reserve changed the confidentiality statement on the form to a question to provide respondents an opportunity to request confidentiality treatment for any portion of the report.

*2. Report titles:*  
Registration Statement for Persons Who Extend Credit Secured by Margin

Stock (Other than Banks, Brokers, or Dealers);

Deregistration Statement for Persons Registered Pursuant to Regulation U;  
Statement of Purpose for an Extension of Credit Secured by Margin Stock by a Person Subject to Registration Under Regulation U;

Annual Report;  
Statement of Purpose for an Extension of Credit by a Creditor;

Statement of Purpose for an Extension of Credit Secured by Margin Stock

*Agency form numbers:* FR G-1, FR G-2, FR G-3, FR G-4, FR T-4, FR U-1

*OMB control numbers:*  
7100-0011: FR G-1, FR G-2, FR G-4  
7100-0018: FR G-3  
7100-0019: FR T-4  
7100-0115: FR U-1

*Frequency:*  
FR G-1, FR G-2, FR G-3, FR T-4, FR

U-1: on occasion  
FR G-4: annual

*Reporters:* individuals and businesses  
*Annual reporting hours:* 1,688

reporting; 254,032 recordkeeping  
*Estimated average hours per response:*

FR G-1: 2.5

FR G-2: 15 minutes

FR G-3: 10 minutes

FR G-4: 2.0

FR T-4: 10 minutes

FR U-1: 10 minutes

*Number of respondents:*

FR G-1: 96

FR G-2: 71

FR G-3: 810

FR G-4: 715

FR T-4: 125

FR U-1: 6,971

Small businesses are affected.

*General description of reports:* This information collection is mandatory (FR G-1, FR G-3, FR G-4, FR T-4, FR U-1) or required to obtain a benefit (FR G-2) (15 U.S.C. 78g and 78w). The information in the FR G-1 and FR G-4 is given confidential treatment (5 U.S.C. 552 (b)(4)). The FR G-2 does not contain confidential information. The FR G-3, FR T-4, and FR U-1 are not submitted to the Federal Reserve and, as such, no issue of confidentiality arises.

*Abstract:* The Securities Exchange Act of 1934 authorizes the Federal Reserve to regulate securities credit issued by banks, brokers and dealers, and other lenders. The purpose statements, FR U-1, FR T-4, and FR G-3, are recordkeeping requirements for banks, brokers and dealers, and other lenders, respectively, to document the purpose of their loans secured by margin stock. Other lenders also must register and deregister with the Federal Reserve using the FR G-1 and FR G-2, respectively, and must file an annual report (FR G-4). The Federal Reserve

uses the data to identify lenders subject to Regulation U (which now incorporates Regulation G), to verify compliance with Regulations T, U, and X, and to monitor margin credit.

The revisions update the reports for recent modifications in the applicable regulations. The Federal Reserve amended Regulations G, T, U, and X effective April 1, 1998, to reflect changes in the Federal Reserve's statutory authority made by the National Securities Markets Improvement Act of 1996. None of the modifications result in substantive changes in the information collections.

Board of Governors of the Federal Reserve System, March 11, 1999.

**Robert deV. Frierson,**

*Associate Secretary of the Board.*

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## FEDERAL TRADE COMMISSION

[File No. 992-3025]

### **R.J. Reynolds Tobacco Company; Analysis to Aid Public Comment**

**AGENCY:** Federal Trade Commission.

**ACTION:** Proposed Consent Agreement.

**SUMMARY:** the consent agreement in this matter settles alleged violations of federal law prohibiting unfair or deceptive acts or practices or unfair methods of competition. The attached Analysis to Aid Public Comment describes both the allegations in the draft complaint that accompanies the consent agreement and the terms of the consent order—embodied in the consent agreement—that would settle these allegations.

**DATES:** Comments must be received on or before May 17, 1999.

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

**FOR FURTHER INFORMATION CONTACT:** Joel Winston or Beth Grossman, FTC/S-4002, Washington, DC 20580. (202) 326-3153 or 326-3019.

**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 complaint. An electronic copy of the full text of the consent agreement package can be obtained from the FTC Home Page (for March 3, 1999), on the World Wide Web, at "http://www.ftc.gov/os/actions97.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 an agreement to a proposed consent order from R.J. Reynolds Tobacco Company ("Reynolds").

The proposed consent order has been placed on the public record for sixty (60) days for receipt 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 agreements' proposed order.

This matter involves an alleged deceptive representation for Winston cigarettes, that Reynolds has advertised do not contain additives. According to the FTC complaint, through these advertisements, Reynolds represented that smoking Winston cigarettes, because they contain no additives, is less hazardous to a smoker's health than smoking otherwise comparable cigarettes that contain additives. The complaint alleges that Reynolds did not have a reasonable basis for the representation at the time it was made. Among other reasons, according to the complaint, the smoke from Winston cigarettes, like the smoke from all cigarettes, contains numerous carcinogens and toxins.

The proposed consent order contains provisions designed to prevent Reynolds from engaging in similar acts and practices in the future.

Part I of the order requires Reynolds to include the following clear and prominent disclosure in certain advertising for its Winston cigarettes: No additives in our tobacco does NOT mean a safer cigarette. (The order requires a similar disclosure in advertising for other tobacco products

Reynolds advertises as having no additives.) The disclosure must be included in all advertising for Winston no-additive cigarettes, regardless of whether that advertising contains a "no additives" claim, for a period of one year beginning no later than July 15, 1999. The disclosure must be included in all Winston advertising that represents (through such phrases as "no additives" or "100% tobacco") that the product has no additives, for the duration of the order. This Part also contains certain exemptions from the disclosure requirement:

- Advertisements not required to bear the Surgeon General's health warning;
- Certain ads for bona fide events or teams sponsored by Winston which contain neither a "No additives" claim nor any other selling message or product description; and
- If Reynolds possesses scientific evidence demonstrating that its "no additives" cigarette poses materially lower health risks than other cigarettes of the same type.

Part I also specifies the manner in which the disclosure must be made, which is exemplified by two model advertisements attached to the order. In general, the disclosure must be within a rectangular box that is no less than 40% of the size of the box containing the Surgeon General's warning.

Part II of the order requires Reynolds to instruct each of its sales representatives to remove or sticker, with the applicable disclosure, any advertisement displayed in a retail establishment representing that Winston cigarettes have no additives. All such actions must be completed by July 15, 1999.

Part III-VII of the order require Reynolds to keep copies of relevant advertisements and materials substantiating claims made in the advertisements; to provide copies of the order to certain of its personnel; to notify the Commission of changes in the composition or formula of Winston cigarettes that may affect the order; to notify the Commission of changes in corporate structure; and to file compliance reports with the Commission. Part VIII provides that the order will terminate after twenty (20) years under certain circumstances.

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 to modify in any way their terms.