Temporary General License: Extension of Validity

AGENCY: Bureau of Industry and Security, Commerce.

ACTION: Final rule.

SUMMARY: On March 24, 2016, the Bureau of Industry and Security (BIS) published a final rule, Temporary General License. The March 24 final rule created a temporary general license that restored, for a specified time period, the licensing requirements and policies under the Export Administration Regulations (EAR) for exports, reexports, and transfers (in-country) as of March 7, 2016, to two entities (ZTE Corporation and ZTE Kangxun) that were added to the Entity List on March 8, 2016. At this time, the U.S. Government has decided to extend the temporary general license until February 27, 2017. In order to implement this decision, this final rule revises the temporary general license to remove the expiration date of November 28, 2016, and to substitute the date of February 27, 2017. This final rule makes no other changes to the EAR.

DATES: This rule is effective November 18, 2016 through February 27, 2017. The expiration date of the final rule published on March 24, 2016 (81 FR 15633) is extended until February 27, 2017.

FOR FURTHER INFORMATION CONTACT: Chair, End-User Review Committee, Office of the Assistant Secretary, Export Administration, Bureau of Industry and Security, Department of Commerce, Phone: (202) 482–5991, Email: ERC@bis.doc.gov.

SUPPLEMENTARY INFORMATION:

Background

On March 24, 2016, the Bureau of Industry and Security (BIS) published a final rule, Temporary General License (81 FR 15633). The March 24 final rule amended the EAR by adding Supplement No. 7 to part 744 to create a temporary general license that returned, until June 30, 2016, the licensing and other policies of the EAR regarding exports, reexports, and transfers (in-country) to Zhongxing Telecommunications Equipment (ZTE) Corporation and ZTE Kangxun to that which were in effect prior to their addition to the Entity List on March 8, 2016.

On June 28, 2016, BIS published a final rule, Temporary General License: Extension of Validity (81 FR 41799), which extended the validity of the temporary general license until August 30, 2016. On August 19, 2016, BIS published a final rule, Temporary General License: Extension of Validity (81 FR 55372), which extended, for a second time, the validity of the Temporary General License until November 28, 2016. Details regarding the scope of the listing are at 81 FR 12004 (Mar. 8, 2016), (“Additions to the Entity List”). Details regarding the Temporary General License can be found in the March 24 final rule and in Supplement No. 7 to Part 744—Temporary General License.

BIS issued the March 24 final rule, and the June 28 and August 19 extension of validity final rules, in connection with a request to remove or modify the listings. The March 24 final rule, and the June 28 and August 19 final rules, specified that the temporary general license was renewable if the U.S. Government determined, in its sole discretion, that ZTE Corporation and ZTE Kangxun were performing their undertakings to the U.S. Government in a timely manner and otherwise cooperating with the U.S. Government in resolving the matter which led to the two entities’ listing.

At this time, the U.S. Government has decided to extend the temporary general license until February 27, 2017. In order to implement this U.S. Government decision, this final rule revises the temporary general license to remove the date of November 28, 2016, and substitute the date of February 27, 2017. This final rule makes no other changes to the EAR.

Export Administration Act

Although the Export Administration Act expired on August 20, 2001, the President, through Executive Order 13222 of August 17, 2001, 3 CFR, 2001 Comp., p. 783 (2002), as amended by Executive Order 13637 of March 8, 2013, 78 FR 16129 (March 13, 2013) and as extended by the Notice of August 4, 2016, 81 FR 52587 (August 8, 2016), has continued the Export Administration Regulations in effect under the International Emergency Economic Powers Act. BIS continues to carry out the provisions of the Export Administration Act, as appropriate and to the extent permitted by law, pursuant to Executive Order 13222, as amended by Executive Order 13637.

Rulemaking Requirements

1. Executive Orders 13563 and 12866 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This rule has been determined to be not significant for purposes of Executive Order 12866.

2. Notwithstanding any other provision of law, no person is required to respond to or be subject to a penalty for failure to comply with a collection of information, subject to the requirements of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) (PRA), unless that collection of information displays a currently valid Office of Management and Budget (OMB) Control Number. This regulation involves collections previously approved by OMB under control number 0694–0088, Simplified Network Application Processing System, which includes, among other things, license applications and carries a burden estimate of 43.8 minutes for a manual or electronic submission. Total burden hours associated with the PRA and OMB control number 0694–0088 are not expected to increase as a result of this rule. You may send comments regarding the collection of information associated with this rule, including suggestions for reducing the burden, to Jasmeet K. Seehra, Office of Management and Budget (OMB), by email to jasmeet.k.seehra@omb.eop.gov, or by fax to (202) 395–7285.

3. This rule does not contain policies with Federalism implications as that term is defined in Executive Order 13132.

4. The provisions of the Administrative Procedure Act (5 U.S.C. 553) requiring notice of proposed rulemaking, the opportunity for public comment, and a delay in effective date are inapplicable because this regulation involves a military or foreign affairs function of the United States. (See 5
ACTION: Final rule.

SUMMARY: The Federal Trade Commission ("FTC" or "Commission") amends the Used Motor Vehicle Trade Regulation Rule ("Rule" or "Used Car Rule"). The Final Rule adopts the following proposals: adding a Buyers Guide statement recommending that consumers obtain a vehicle history report ("VHR"), and directing them to an FTC website for more information about VHRs and safety recalls; revising the Buyers Guide statement describing the meaning of an "As is" sale in which a dealer offers a vehicle for sale without a warranty; adding boxes to the front of the Buyers Guide where dealers can indicate additional warranty and service contract coverage; adding a Spanish statement to the English Buyers Guide advising consumers to ask for a copy of the Buyers Guide in Spanish if the dealer is conducting the sale in Spanish (and providing a Spanish translation of the optional consumer acknowledgment of receipt of the Buyers Guide); and adding air bags and catalytic converters to the list of major defects on the back of the Buyers Guide.

DATES: This Rule is effective on January 27, 2017.


SUPPLEMENTARY INFORMATION:

I. Background

The Used Car Rule requires dealers to display on used cars offered for sale a window sticker called a “Buyers Guide” containing warranty and other information. The Commission promulgated the Used Car Rule in 1984, and the Rule became effective in 1985. One of the principal goals of the Used Car Rule is to prevent oral misrepresentations and unfair omissions of material facts by used car dealers concerning warranty coverage. To accomplish that goal, the Rule provides a uniform method for disclosing warranty information on the “Buyers Guide.” The Rule requires used car dealers to disclose on the Buyers Guide whether they are offering a used car for sale with a dealer’s warranty and, if so, the basic terms, including the duration of coverage, the percentage of total repair costs to be paid by the dealer, and the exact systems covered by the warranty. The Rule additionally provides that the Buyers Guide disclosures are to be incorporated by reference into the sales contract, and are to govern in the event of an inconsistency between the Buyers Guide and the sales contract. The Rule requires Spanish language versions of the Buyers Guide when dealers conduct sales in Spanish. The Rule also requires other disclosures that must be printed directly on the Buyers Guide, including: a suggestion that consumers ask the dealer if a pre-purchase inspection is performed; a warning against reliance on spoken promises that are not confirmed in writing; and a list of fourteen major systems of a used motor vehicle and the major defects that may occur in these systems ("List of Systems").

In July 2008, the Commission commenced its periodic regulatory review of the Rule ("Regulatory Review") to examine its efficacy, costs, and benefits, and to determine whether to retain, to modify, or to rescind the Rule. The Commission also asked for public comments on the Spanish translation of the Buyers Guide, the List of Systems and defects on the back of the Buyers Guide, and whether to revise the Buyers Guide by adding boxes where dealers could disclose non-dealer warranties offered by third parties. The Commission received twenty-five comments from twenty-one commenters, including an automobile auction firm, an automotive repair firm, an online seller of used cars, automobile dealers, individual consumers, a consumer protection attorney, a group of consumer advocacy organizations, national automobile dealers’ associations, state automobile dealers’ associations, suppliers of dealer forms, county consumer protection agencies, the National Association of Attorneys General, the International Association of Lemon Law Administrators, and the Wisconsin Department of Transportation. Among other things, commenters recommended that the Commission require dealers to provide consumers with VHRs.

In December 2012, the FTC issued a notice of proposed rulemaking ("NPRM") with proposed changes to the Rule. In the NPRM, the Commission proposed adding a statement to the Buyers Guide advising consumers about