## PART 39—AIRWORTHINESS DIRECTIVES

■ 1. The authority citation for part 39 continues to read as follows:

**Authority:** 49 U.S.C. 106(g), 40113, 44701.

**§ 39.13 [Amended]**

■ 2. The FAA amends § 39.13 by adding the following new airworthiness directive (AD):

**Airbus Helicopters:** Docket No. FAA–2020–0652; Product Identifier 2019–SW–066–AD.

**(a) Applicability**

This AD applies to Airbus Helicopters Model AS332C, AS332C1, AS332L, and AS332L1 helicopters, certificated in any category, with a main rotor (M/R) hub assembly (hub) part number (P/N) 332A31–0001–00, 332A31–0001–01, 332A31–0001–02, 332A31–0001–03, 332A31–0001–04, 332A31–0001–05, or 332A31–0001–06 installed.

**(b) Unsafe Condition**

This AD defines the unsafe condition as incorrect assembly of the M/R hub. This condition could result in failure of the M/R hub components and subsequent loss of control of the helicopter.

**(c) Comments Due Date**

The FAA must receive comments by August 31, 2020.

**(d) Compliance**

You are responsible for performing each action required by this AD within the specified compliance time unless it has already been accomplished prior to that time.

**(e) Required Actions**

(1) Within 55 hours time-in-service, remove at least one M/R revolutions per minute (''NR'') sensor and borescope inspect the phonic wheel lock washer (lock washer) for correct height of the lock washer (if the installation is correct, you can see the edge of the splines) through the hole of the removed ''NR'' sensor(s) as shown in Figure 1 to Airbus Helicopters Alert Service Bulletin No. AS332–62.00.76, Revision 0, dated May 27, 2019.

(i) If the height of the lock washer is correct, before further flight, install the ''NR'' sensor(s).

(ii) If the height of the lock washer is not correct, before further flight, install the ''NR'' sensor(s) and repair or replace the M/R hub in accordance with FAA-approved procedures.

(2) As of the effective date of this AD, do not install M/R hub P/N 332A31–0001–00, 332A31–0001–01, 332A31–0001–02, 332A31–0001–03, 332A31–0001–04, 332A31–0001–05, or 332A31–0001–06 on any helicopter unless the actions of paragraph (e)(1) of this AD have been accomplished.

**(f) Alternative Methods of Compliance (AMOCs)**

(1) The Manager, Rotorcraft Standards Branch, FAA, may approve AMOCs for this AD. Send your proposal to: Matt Fuller, Senior Aviation Safety Engineer, Safety Management Section, Rotorcraft Standards Branch, FAA, 10101 Hillwood Pkwy., Fort Worth, TX 76177; telephone 817–222–5110; email *9-ASW-FTW-AMOC-Requests@faa.gov.*

(2) For operations conducted under a 14 CFR part 119 operating certificate or under 14 CFR part 91, subpart K, the FAA suggests that you notify your principal inspector, or lacking a principal inspector, the manager of the local flight standards district office or certificate holding district office before operating any aircraft complying with this AD through an AMOC.

**(g) Additional Information**

The subject of this AD is addressed in European Union Aviation Safety Agency (previously European Aviation Safety Agency) (EASA) No. 2019–0172, dated July 18, 2019. You may view the EASA AD on the internet at *https://www.regulations.gov* in the AD Docket.

**(h) Subject**

Joint Aircraft Service Component (JASC) Code: 6230, Main Rotor Mast/Swashplate.

Issued on July 10, 2020.

**Lance T. Gant,**

*Director, Compliance & Airworthiness Division, Aircraft Certification Service.*

[FR Doc. 2020–15329 Filed 7–15–20; 8:45 am]

**BILLING CODE 4910–13–P**

## FEDERAL TRADE COMMISSION

## 16 CFR Part 323

**[3084–AB64]**

## Made in USA Labeling Rule

**AGENCY:** Federal Trade Commission.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** The Federal Trade Commission (''FTC'' or ''Commission'') seeks comment on this Notice of Proposed Rulemaking (''NPRM'') related to ''Made in USA'' and other unqualified U.S.-origin claims on product labels.

**DATES:** Comments must be received by September 14, 2020.

**ADDRESSES:** Interested parties may file a comment online or on paper by following the instructions in the Request for Comments part of the **SUPPLEMENTARY INFORMATION** section below. Write ''MUSA Rulemaking, Matter No. P074204'' on your comment, and file your comment online through *https://www.regulations.gov* by following the instructions on the web-based form. If you prefer to file your comment on paper, write ''MUSA Rulemaking, Matter No. P074204'' on your comment and on the envelope and mail your comment to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue NW, Suite CC–5610 (Annex C), Washington, DC 20580, or deliver your comment to the following address: Federal Trade Commission, Office of the Secretary, Constitution Center, 400 7th Street SW, 5th Floor, Suite 5610 (Annex C), Washington, DC 20024.

**FOR FURTHER INFORMATION CONTACT:** Julia Solomon Ensor (202–326–2377) or Hampton Newsome (202–326–2889), Attorneys, Division of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, Room CC–9528, 600 Pennsylvania Avenue NW, Washington, DC 20580.

**SUPPLEMENTARY INFORMATION:**

### I. Background

Since at least 1940,[1] the Commission has pursued enforcement actions to prevent unfair and deceptive ''Made in USA'' and other U.S.-origin claims (''MUSA claims''). Currently, the Commission's comprehensive MUSA program consists of compliance monitoring, counseling, and targeted enforcement pursuant to the FTC's general authority under Section 5 of the FTC Act, 15 U.S.C. 45.[2] However, Congress has also granted the FTC authority to address MUSA labeling, including rulemaking authority, under a separate statute, 15 U.S.C. 45a.[3] To date, the Commission has not exercised its rulemaking authority under that provision.

Recently, the FTC held a public workshop and collected public comments in support of a review of its

[1] *See, e.g., Vulcan Lamp Works, Inc.,* 32 F.T.C. 7 (1940).

[2] Section 5 prohibits unfair or deceptive acts or practices in or affecting commerce. An act or practice is deceptive if it is likely to mislead consumers acting reasonably under the circumstances and is material—that is, likely to affect a consumer's decision to purchase or use the advertised product or service. A claim need not mislead all—or even most—consumers to be deceptive under the FTC Act. Rather, it need only be likely to deceive some consumers acting reasonably. *See FTC Policy Statement on Deception,* 103 F.T.C. 174 (1984) (*appended to Cliffdale Assocs., Inc.,* 103 F.T.C. 110, 177 n.20 (1984) (''A material practice that misleads a significant minority of reasonable consumers is deceptive.''); *see also FTC* v. *Stefanchik,* 559 F.3d 924, 929 (9th Cir. 2009) (''The FTC was not required to show that all consumers were deceived . . . .'').

[3] *See* Section 320933 of the Violent Crime and Law Enforcement Act of 1994, Public Law 103–322, 108 Stat. 1796, codified in relevant part at 15 U.S.C. 45a. Under the statute, the Commission may issue a rule pursuant to 5 U.S.C. 553. Section 45a also states that: ''This section shall be effective upon publication in the **Federal Register** of a Notice of the provisions of this section.'' The Commission published such a notice in 1995 (60 FR 13158 (Mar. 10, 1995)).

MUSA program.[4] Workshop participants and commenters discussed a variety of issues, including consumer perception of MUSA claims, concerns about the FTC's current enforcement approach, and potential changes to the FTC's MUSA program, including through rulemaking. During that proceeding, stakeholders expressed nearly universal support for the Commission to exercise authority pursuant to 15 U.S.C. 45a to issue a rule addressing MUSA claims. Commenters argued such a rule could have a strong deterrent effect against unlawful MUSA claims without imposing new burdens on law-abiding companies.[5]

For 80 years, the Commission has pursued enforcement actions that have established the principle that unqualified MUSA claims imply no more than a *de minimis* amount of the product is of foreign origin.[6] In 1997, following consumer research and public comments, the Commission published its *Enforcement Policy Statement on U.S. Origin Claims* (''Policy Statement''), elaborating that a marketer making an unqualified claim for its product should, at the time of the representation, have a reasonable basis for asserting that ''all or virtually all'' [7] of the product is made in the United States.[8] The Commission has routinely applied this standard in its MUSA Decisions and Orders since 1997. Specifically, during that time the Commission issued 24 administrative Decisions and Orders, and entered into four federal court settlements [9] enforcing the ''all or virtually all'' standard.[10] Therefore, to deter deceptive claims, enhance the Commission's ability to obtain appropriate relief for consumers, and provide additional certainty to marketers on the Commission's enforcement approach, the Commission now proposes a MUSA Labeling Rule incorporating this established standard pursuant to its rulemaking authority under 15 U.S.C. 45a.

## II. Proposed Rule

Section 45a grants the Commission authority to issue rules to prevent unfair or deceptive acts or practices relating to MUSA labeling.[11] Specifically, the Commission ''may from time to time issue rules pursuant to section 553 of title 5, United States Code'' requiring MUSA labeling to ''be consistent with decisions and orders of the Federal Trade Commission issued pursuant to section 5 of the [FTC] Act.'' The FTC may seek civil penalties for violations of such rules.[12]

Consistent with these statutory provisions, the NPRM covers labels on products that make unqualified MUSA claims. It tracks the Commission's previous MUSA Decisions and Orders by prohibiting marketers from including unqualified MUSA claims on labels unless: (1) Final assembly or processing of the product occurs in the United States, (2) all significant processing that goes into the product occurs in the United States, and (3) all or virtually all ingredients or components of the product are made and sourced in the United States. The NPRM also covers labels making unqualified MUSA claims appearing in mail order catalogs or mail order advertising.

To avoid confusion or perceived conflict with other country-of-origin labeling laws and regulations, the NPRM specifies that it does not supersede, alter, or affect any other federal or state statute or regulation relating to country-of-origin labels, except to the extent that a state country-of-origin statute, regulation, order, or interpretation is inconsistent with the NPRM. The Commission invites comment on whether the NPRM conflicts with any state country-of-origin labeling requirements.

## III. Request for Comment

The Commission seeks comments on any aspect of the NPRM. You can file a comment online or on paper. For the Commission to consider your comment, we must receive it on or before September 14, 2020. Write ''MUSA Rulemaking, Matter No. P074204'' on your comment. Your comment—including your name and your state—will be placed on the public record of this proceeding, including, to the extent practicable, on the *https://www.regulations.gov* website.

Due to the public health emergency in response to the COVID–19 outbreak and the agency's heightened security screening, postal mail addressed to the Commission will be subject to delay. We strongly encourage you to submit your comments online through the *https://www.regulations.gov* website, by following the instruction on the web-based form provided.

If you file your comment on paper, write ''MUSA Rulemaking, Matter No. P074204'' on your comment and on the envelope, and mail your comment to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue NW, Suite CC–5610 (Annex C), Washington, DC 20580, or deliver your comment to the following address: Federal Trade Commission, Office of the Secretary, Constitution Center, 400 7th Street SW, 5th Floor, Suite 5610 (Annex C), Washington, DC 20024. If possible, submit your paper comment to the Commission by courier or overnight service.

Because your comment will be placed on the public record, you are solely responsible for making sure that your comment does not include any sensitive or confidential information. In particular, your comment should not include any sensitive personal information, such as your or anyone else's Social Security number; date of birth; driver's license number or other state identification number, or foreign country equivalent; passport number; financial account number; or credit or debit card number. You are also solely responsible for making sure that your comment does not include any sensitive health information, such as medical records or other individually identifiable health information. In

[4] *See https://www.ftc.gov/news-events/events-calendar/made-usa-ftc-workshop.*

[5] *See generally* Transcript of Made in USA: An FTC Workshop (Sept. 26, 2019) at 63–72.

[6] *See, e.g., Vulcan Lamp Works, Inc.,* 32 F.T.C. 7 (1940); *Windsor Pen Corp.,* 64 F.T.C. 454 (1964) (articulating this standard as a ''wholly of domestic origin'' standard).

[7] The Commission first used the ''all or virtually all'' language in the cases of *Hyde Athletic Industries,* File No. 922–3236 (consent agreement accepted subject to public comment Sept. 20, 1994) and *New Balance Athletic Shoes, Inc.,* Docket 9268 (complaint issued Sept. 20, 1994). In the 1997 **Federal Register** Notice requesting public comment on Proposed Guides for the Use of U.S. Origin Claims, the Commission explained that the ''all or virtually all'' standard merely rearticulated longstanding principles governing MUSA claims. FTC, *Request for Public Comment on Proposed Guides for the use of U.S. Origin Claims,* 62 FR 25020 (May 7, 1997).

[8] FTC, *Issuance of Enforcement Policy Statement on ''Made in USA'' and Other U.S. Origin Claims,* 62 FR 63756, 63766 (Dec. 2, 1997). The Policy Statement also provides broad guidance on how the Commission applies Section 5 of the FTC Act to such claims in advertising and labeling. For example, the Policy Statement explains that, in examining MUSA claims under the ''all or virtually all'' standard, the Commission considers several different factors including the proportion of the product's total manufacturing costs attributable to U.S. parts and processing, how far removed any foreign content is from the finished product, and the importance of the foreign content or processing to the product's overall function. *Id.* For additional information, see *http://business.ftc.gov/advertising-and-marketing/made-usa.*

[9] This includes two *de novo* settlements and two civil penalty settlements for violations of administrative consent orders filed by the Department of Justice at the FTC's request.

[10] *See generally* FTC, Compilation of MUSA Cases, *https://www.ftc.gov/tips-advice/business-center/advertising-and-marketing/made-in-usa.*

[11] *See supra* n.3.

[12] The statute provides that violations of any rule promulgated pursuant to the Section ''shall be treated by the Commission as a violation of a rule under section 57a of this title regarding unfair or deceptive acts or practices.'' For violations of rules issued pursuant to 15 U.S.C. 57a, the Commission may commence civil actions to recover civil penalties. *See* 15 U.S.C. 45(m)(1)(A).

addition, your comment should not include any ''trade secret or any commercial or financial information which . . . is privileged or confidential''—as provided by Section 6(f) of the FTC Act, 15 U.S.C. 46(f), and FTC Rule 4.10(a)(2), 16 CFR 4.10(a)(2)—including in particular competitively sensitive information such as costs, sales statistics, inventories, formulas, patterns, devices, manufacturing processes, or customer names.

Comments containing material for which confidential treatment is requested must be filed in paper form, must be clearly labeled ''Confidential,'' and must comply with FTC Rule 4.9(c). In particular, the written request for confidential treatment that accompanies the comment must include the factual and legal basis for the request, and must identify the specific portions of the comment to be withheld from the public record. *See* FTC Rule 4.9(c). Your comment will be kept confidential only if the General Counsel grants your request in accordance with the law and the public interest. Once your comment has been posted publicly at *www.regulations.gov*—as legally required by FTC Rule 4.9(b)—we cannot redact or remove your comment, unless you submit a confidentiality request that meets the requirements for such treatment under FTC Rule 4.9(c), and the General Counsel grants that request.

Visit the FTC website to read this Notice of Proposed Rulemaking and the news release describing it. The FTC Act and other laws that the Commission administers permit the collection of public comments to consider and use in this proceeding as appropriate. The Commission will consider all timely and responsive public comments that it receives on or before September 14, 2020. For information on the Commission's privacy policy, including routine uses permitted by the Privacy Act, see *https://www.ftc.gov/site-information/privacy-policy.*

## IV. Paperwork Reduction Act

The Paperwork Reduction Act (''PRA''), 44 U.S.C. 3501 *et seq.,* requires federal agencies to seek and obtain Office of Management and Budget (''OMB'') approval before undertaking a collection of information directed to ten or more persons. The NPRM does not contain information collection requirements that the OMB must approve under the PRA.

## V. Regulatory Flexibility Act

The Regulatory Flexibility Act (''RFA''), as amended by the Small Business Regulatory Enforcement Fairness Act of 1996, requires an agency to either provide an Initial Regulatory Flexibility Analysis (''IRFA'') with a proposed rule, or certify that the proposed rule will not have a significant impact on a substantial number of small entities.[13] The Commission recognizes some affected entities may qualify as small businesses under the relevant thresholds. However, the Commission does not expect that this NPRM, if adopted, would have the threshold impact on small entities for two reasons. First, the NPRM includes no new barriers to making claims, such as reporting or approval requirements. Second, the proposed Rule merely codifies standards established in FTC enforcement Decisions and Orders for more than 20 years. Therefore, the NPRM imposes no new burdens on law-abiding businesses.

This document serves as notification to the Small Business Administration of the agency's certification of no effect. Although the Commission certifies under the RFA that the NPRM would not, if promulgated, have a significant impact on a substantial number of small entities, the Commission has determined it is appropriate to publish an IRFA to inquire into the impact of the NPRM on small entities. The Commission invites comment on the burden on any small entities that would be covered and has prepared the following analysis:

### *1. Reasons for the NPRM*

The Commission proposes the Made in USA Labeling Rule for two primary reasons: To strengthen its enforcement program and make it easier for businesses to understand and comply with the law. Specifically, by codifying the existing standards applicable to MUSA claims in a rule as authorized by Congress, the FTC will be able to provide more certainty to marketers about the standard for making unqualified claims on product labels. In addition, enactment of the NPRM will enhance deterrence by authorizing civil penalties against those making unlawful MUSA claims on product labels.

### *2. Statement of Objectives and Legal Basis*

The objective of the NPRM is to prevent deceptive MUSA claims on product labels. The legal basis for the Rule is the Made in USA provisions of the Violent Crime Control and Law Enforcement Act of 1994, codified in relevant part at 15 U.S.C. 45a.[14]

### *3. Description and Estimated Number of Small Entities To Which the Rule Will Apply*

The Small Business Administration estimates that in 2018 there were 30.2 million small businesses in the United States. The NPRM will apply to small businesses that make MUSA claims on product labels. The Commission seeks comment and information regarding the estimated number or nature of small business entities for which the NPRM would have a significant economic impact.

### *4. Projected Reporting, Recordkeeping, and Other Compliance Requirements*

The NPRM imposes no affirmative reporting or recordkeeping requirements. The NPRM's compliance requirements, consistent with the Policy Statement and longstanding Commission case law, require that marketers may not use unqualified U.S.-origin claims on product labels unless final assembly or processing of the product occurs in the United States, all significant processing that goes into the product occurs in the United States, and all or virtually all ingredients or components of the product are made and sourced in the United States. The NPRM codifies the standard for MUSA claims established in Commission Decisions and Orders, and no new obligations are anticipated.

### *5. Identification of Duplicative, Overlapping, or Conflicting Federal Rules*

Although there are other federal statutes, rules, or policies relating to country of origin labeling, the Commission has not identified any duplication, overlap, or conflict with the NPRM. The Commission invites comment and information on this issue.

### *6. Discussion of Significant Alternatives*

The Commission seeks comment and information on the need, if any, for alternative compliance methods that would, consistent with the statutory requirements, reduce the economic impact of the NPRM on small entities. For example, the Commission is currently unaware of the need to adopt any special provisions for small entities. However, if such issues are identified, the Commission could consider alternative approaches. Nonetheless, if the comments filed in response to this notice identify small entities that are affected by the NPRM, as well as alternative methods of compliance that would reduce the economic impact of the NPRM on such entities, the Commission will consider the feasibility of such alternatives and determine

[13] 5 U.S.C. 603–605.

[14] Per its terms, 15 U.S.C. 45a was effective upon its publication in the **Federal Register** on March 10, 1995. *See* 60 FR 13158.

whether they should be incorporated into the final rule.

**VI. Communications by Outside Parties to the Commissioners or Their Advisors**

Written communications and summaries or transcripts of oral communications respecting the merits of this proceeding, from any outside party to any Commissioner or Commissioner's advisor, will be placed on the public record. *See* 16 CFR 1.26(b)(5).

**VII. Proposed Rule Language**

**List of Subjects in 16 CFR Part 323**

Labeling, U.S. origin.

For the reasons stated in the preamble, the Federal Trade Commission proposes to add part 323 to subchapter C, title 16 CFR as set forth below:

## PART 323—MADE IN USA LABELING

Sec.
323.1 Definitions.
323.2 Prohibited acts.
323.3 Applicability to mail order advertising.
323.4 Enforcement.
323.5 Relation to Federal and State laws.

**Authority:** 15 U.S.C. 45a.

### § 323.1 Definitions.

As used in this part:

(a) The term *Made in the United States* means any unqualified representation, express or implied, that a product or service, or a specified component thereof, is of U.S. origin, including, but not limited to, a representation that such product or service is ''made,'' ''manufactured,'' ''built,'' ''produced,'' ''created,'' or ''crafted'' in the United States or in America, or any other unqualified U.S.-origin claim.

(b) The terms *mail order catalog* and *mail order promotional material* mean any materials, used in the direct sale or direct offering for sale of any product or service, that are disseminated in print or by electronic means, and that solicit the purchase of such product or service by mail, telephone, electronic mail, or some other method without examining the actual product purchased.

### § 323.2 Prohibited acts.

In connection with promoting or offering for sale any good or service, in or affecting commerce, as ''commerce'' is defined in the Federal Trade Commission Act, it is an unfair or deceptive act or practice within the meaning of section 5 of that Act to label any product as Made in the United States unless the final assembly or processing of the product occurs in the United States, all significant processing that goes into the product occurs in the United States, and all or virtually all ingredients or components of the product are made and sourced in the United States.

### § 323.3 Applicability to mail order advertising.

To the extent that any mail order catalog or mail order promotional material includes a seal, mark, tag, or stamp labeling a product Made in the United States, such label must comply with § 323.2 of this part.

### § 323.4 Enforcement.

Any violation of this part shall be treated as a violation of a rule under section 18 of the Federal Trade Commission Act, 15 U.S.C. 57a, regarding unfair or deceptive acts or practices.

### § 323.5 Relation to Federal and State laws.

(a) *In general.* This part shall not be construed as superseding, altering, or affecting any other federal statute or regulation relating to country-of-origin labeling requirements. In addition, this part shall not be construed as superseding, altering, or affecting any other State statute, regulation, order, or interpretation relating to country-of-origin labeling requirements, except to the extent that such statute, regulation, order, or interpretation is inconsistent with the provisions of this part, and then only to the extent of the inconsistency.

(b) *Greater protection under State law.* For purposes of this section, a State statute, regulation, order, or interpretation is not inconsistent with the provisions of this part if the protection such statute, regulation, order, or interpretation affords any consumer is greater than the protection provided under this part, as determined by the Commission on its own motion or upon the petition of any interested party.

By direction of the Commission,

**April J. Tabor,**

*Secretary.*

[FR Doc. 2020–13902 Filed 7–15–20; 8:45 am]

**BILLING CODE 6750–01–P**

## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

### 24 CFR Part 401

**[Docket No. FR 6122–P–01]**

**RIN 2577–AJ48**

## Rent Adjustments in the Mark-to-Market Program

**AGENCY:** Office of the Assistant Secretary for Housing—Federal Housing Commissioner, HUD.

**ACTION:** Proposed rule.

**SUMMARY:** Under the Mark-to-Market program, HUD preserves the affordability of eligible multifamily housing projects by modifying above-market rents while restructuring project debt to an amount supportable by the modified rents. This proposed rule would revise the Mark-to-Market program regulations to clarify that all annual rent adjustments for projects subject to a restructuring plan are by application of an operating cost adjustment factor (OCAF) established by HUD. The current regulations contain a provision authorizing HUD to approve a request for a budget-based rent adjustment in lieu of an OCAF. However, this provision is both contrary to the governing statutory framework and inconsistent with Mark-to-Market renewal contracts, which allow only OCAF rent adjustments. The proposed rule would conform the regulations to the governing statutory provision, the terms of Mark-to-Market renewal contracts, and the programmatic practice of adjusting rents annually only by OCAF.

**DATES:** *Comment Due Date:* September 14, 2020.

**ADDRESSES:** Interested persons are invited to submit comments regarding this proposed rule. Copies of all comments submitted are available for inspection and downloading at *www.regulations.gov.* To receive consideration as public comments, comments must be submitted through one of two methods, specified below. All submissions must refer to the above docket number and title.

*1. Electronic Submission of Comments.* Interested persons may submit comments electronically through the Federal eRulemaking Portal at *www.regulations.gov.* HUD strongly encourages commenters to submit comments electronically. Electronic submission of comments allows the commenter maximum time to prepare and submit a comment, ensures timely receipt by HUD, and enables HUD to make them immediately available to the