



FEDERAL TRADE COMMISSION

Agency Information Collection Activities; Submission for OMB Review; Comment Request; Extension

AGENCY: Federal Trade Commission.

ACTION: Notice.

SUMMARY: The Federal Trade Commission (“FTC” or “Commission”) requests that the Office of Management and Budget (“OMB”) extend for an additional three years the current Paperwork Reduction Act (“PRA”) clearance for information collection requirements contained in the FTC’s Use of Prenotification Negative Option Plans (“Negative Option Rule” or “Rule”). That clearance expires on January 31, 2024.

DATES: Comments must be filed by [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

ADDRESSES: Interested parties may file a comment online or on paper, by following the instructions in the Request for Comment part of the **SUPPLEMENTARY INFORMATION** section below. Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to

www.reginfo.gov/public/do/PRAMain. Find this particular information collection by selecting “Currently under 30-day Review - Open for Public Comments” or by using the search function.

FOR FURTHER INFORMATION CONTACT: Katherine Johnson, Attorney, Division of Enforcement, Federal Trade Commission, Room CC-9528, 600 Pennsylvania Avenue, N.W., Washington, DC 20580, (202) 326-2185.

SUPPLEMENTARY INFORMATION:

Title of Collection: Use of Prenotification Negative Option Plans (Negative Option Rule or Rule), 16 CFR part 425.¹

¹ The Commission recently published a Notice of Proposed Rulemaking seeking comment on proposed

OMB Control Number: 3084-0104.

Type of Review: Extension without change of currently approved collection.

Abstract: The Negative Option Rule governs the operation of prenotification subscription plans. Under these types of plans—which can include things such as a book of the month club, food of the month club, or clothing items of the month club—a seller provides a consumer with automatic shipments of merchandise unless the consumer affirmatively notifies the seller they do not want the shipment. The Rule requires that a seller notify a member that they will automatically ship merchandise to the member and bill the member for the merchandise if the subscriber fails to expressly reject the merchandise beforehand within a prescribed time. The Rule protects consumers by: (1) requiring that promotional materials disclose the terms of membership clearly and conspicuously; and (2) establishing procedures for the administration of such “negative option” plans.

Affected Public: Private Sector: Sellers of prenotification subscription plans.

Estimated Annual Burden Hours: 2,500 hours.

Estimated Annual Labor Costs: \$152,350 (solely related to labor costs).

Estimated Annual Non-Labor Costs: \$0 or *de minimis*.

Request for Comment:

On August 30, 2023, the FTC sought public comment on the information collection requirements associated with the Rule. 88 FR 59922 (Aug. 30, 2023). No relevant comments were received during the public comment period. Pursuant to OMB regulations, 5 CFR part 1320, that implement the PRA, 44 U.S.C. 3501 *et seq.*, the FTC is providing this second opportunity for public comment while seeking OMB approval to renew the pre-existing clearance for the Rule. For more details about the Rule requirements and the basis for the calculations summarized below, see 88 FR 59922.

amendments to the Commission’s Negative Option Rule. 88 FR 24716 (Apr. 24, 2023). The present PRA Notice is not part of that proceeding and merely seeks comment on the existing burden estimates for the current Rule, which applies only to “prenotification” negative option plans.

Your comment—including your name and your state—will be placed on the public record of this proceeding. Because your comment will be made public, you are solely responsible for making sure that your comment does not include any sensitive personal information, such as anyone’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 ensuring that your comment does not include any sensitive health information, such as medical records or other individually identifiable health information. In addition, your comment should not include any “[t]rade secret or any commercial or financial information which is . . . privileged or confidential”—as provided in 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.

Josephine Liu,

Assistant General Counsel for Legal Counsel.

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