presumptively illegal.[12] In view of the existence of discriminatory pricing systems in other industries and extensive legislative and judicial actions on the subject that can serve as a guide, we are confident that our role will be limited to maintaining these existing barriers to invidious discrimination.

Finally, even under Phase 5 standards, status fares were not absolutely illegal. They could be approved (as in the case of children's fares) where the Board found sufficient benefits to air transportation or the public under the Act. Under the Airline Deregulation Act, however, carriers themselves, rather than the Board, are primarily responsible for developing air transportation under the disciplines of actual and potential competition. Even if we did not formally modify our policy toward status fares, a more permissive approach under the "qualified disapproval" policy of Phase 5 might have been necessary to implement the Congressional mandate to give primary responsibility for the air transportation system back to the carriers.

International Fares and Rates

While it is true that the original impetus for this policy statement was the ADA of 1978 with its implicit emphasis upon domestic aviation, the Board did not intend to preclude a common international pricing application. We invited comments but made no specific proposals on the international pricing aspects of this subject, and therefore received few concrete proposals or arguments on it. Consequently, we will limit this policy statement to domestic and overseas air transportation.

Nevertheless, the passage of the International Air Transportation Competition Act of 1979, after our initial policy proposal here, has substantially altered the statutory and policy framework within which we consider international pricing and entry issues. In many pertinent respects, the framework is now similar—if not identical—to the domestic area. While there are *ad hoc* circumstantial differences, such as limited entry in some international markets and detailed pricing control by a number of foreign governments, we believe that many of the fundamental policy considerations that lead us to issue this statement are equally applicable to foreign air transportation. Our staff is now considering this issue, and it also has been raised by the commentors in EDR–351B and EDR–383, by which we proposed, among other things, to permit cargo charters on scheduled flights. Thus, we will address this question in more detail shortly.

Miscellaneous Matters

In its comments supporting our proposal, the Air Freight Forwards Association requested that we list in the policy statement as being lawful certain practices, such as multiple shipment discounts, which we have rejected in the past. The policy statement, however, is intended to be a general one without itself authorizing specific carrier practices. As we indicated above, we believe that it would be better to evaluate specific practices in the context of a rate proceeding on a concrete proposal. We are, therefore, not modifying the policy statement in this manner.

World Airways filed a motion to consolidate into this proceeding an application by Davis Agency, Inc., Docket 35533 for an exemption to negotiate for placing charter passengers on scheduled flights. The exemption would have been limited to cases where the direct air carrier that had originally contracted to provide lift for Davis failed to do so and other aircraft could not be obtained on a charter basis. Davis filed an answer in opposition to this motion. Since that time, however, Davis requested withdrawal of its exemption application which request was granted in Order 80–3–44, March 7, 1980. The motion to consolidate is therefore moot.

Accordingly, the Civil Aeronautics Board amends 14 CFR Part 399, *Statements of General Policy*, as follows:

1. A new § 399.36 is added, to read:

§ 399.36 Unreasonable discrimination.

(a) As used in this section—

(1) "Unreasonable discrimination" means unjust discrimination or unreasonable preference or prejudice; and

(2) "Rate" means rate, fare, or charge.

(b) Except in unusual circumstances or as provided in paragraph (c) of this section, the Board will find a rate for domestic air transportation to constitute unreasonable discrimination only if:

(1) There is a reasonable probability that the rate will result in significant long-run economic injury to passengers or shippers;

(2) The rate is in fact discriminatory according to a reasonable cost allocation or other rational basis;

(3) The rate does not provide transportation or other statutorily recognized benefits that justify the discrimination; and

(4) Actual and potential competitive forces cannot reliably be expected to eliminate the undesirable effects of the discrimination within a reasonable period.

(c) A rate that discriminates on the basis of the status of the traffic carried will not be presumed to be unreasonably discriminatory, unless the use of the status categories in question is contrary to established national anti-discrimination policy.

2. The Table of Contents is amended accordingly.

(Secs. 204, 403, 404, 416, 1001, and 1002 of the Federal Aviation Act of 1958, as amended by Pub. L. 95–504; 72 Stat. 743, 758, 760, 771, 788, 92 Stat. 1705; 49 U.S.C. 1324, 1373, 1374, 1386, 1481, 1482)

By the Civil Aeronautics Board.

Phyllis T. Kaylor,

Secretary.

[FR Doc. 80–16372 Filed 5–28–80; 8:45 am]

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[12] Discrimination on certain bases, such as race or religion, and in some cases sex, raises issues of violating the Constitution as well as various federal statutes. The final rule excludes discrimination which violates federal antidiscrimination policy from the presumption of lawfulness. We would include constitutional and federal statutory prohibitions in that concept as well as forms of discriminations prohibited by Executive Order or agency actions.

FEDERAL TRADE COMMISSION

16 CFR Part 13

[Docket C–3018]

Commercial Lighting Products, Inc.; Prohibited Trade Practices, and Affirmative Corrective Actions

AGENCY: Federal Trade Commission.

ACTION: Final order.

SUMMARY: In settlement of alleged violations of federal law prohibiting unfair acts and practices and unfair methods of competition, this consent order, among other things, requires an Englewood, N.J. seller of light bulbs and other products to cease shipping or billing for unordered merchandise; soliciting orders from unauthorized persons; shipping goods that vary in quantity or price from that ordered; offering discounts or sending collection letters to induce payment for unordered merchandise; and transferring alleged delinquent accounts to debt collection agencies, after being informed that the merchandise had not been ordered. The firm is further prohibited from shipping merchandise pursuant to any unsigned purchase order. Should such a form be received, the company is required to mail to the "Lighting Buyer" of the business an acknowledgment card containing prescribed information and a

toll-free number to call should problems arise. Additionally, the order requires that the firm develop and provide relevant personnel with an approved statement of operating principals and practices, and maintain a surveillance program designed to detect those who fail to conform.

DATES: Complaint and order issued May 6, 1980.[1]

FOR FURTHER INFORMATION CONTACT: FTC/P, Albert H. Kramer, Washington, D.C. 20580. (202) 523-3727.

SUPPLEMENTARY INFORMATION: On Monday, Feb. 25, 1980, there was published in the **Federal Register**, 45 FR 12261, a proposed consent agreement with analysis In the Matter of Commercial Lighting Products, Inc., a corporation, for the purpose of soliciting public comment. Interested parties were given sixty (60) days in which to submit comments, suggestions or objections regarding the proposed form of order.

No comments having been received, the Commission has ordered the issuance of the complaint in the form contemplated by the agreement, made its jurisdictional findings and entered its order to cease and desist, as set forth in the proposed consent agreement, in disposition of this proceeding.

The prohibited trade practices and/or corrective actions, as codified under 16 CFR Part 13, are as follows: Subpart—Corrective Actions and/or Requirements: § 13.533 Corrective actions and/or Requirements; 13.533–45 Maintain records; 13.533–45(c) Complaints; 13.533–45(e) Correspondence; 13.533–50 Maintain means of communication. Subpart—Enforcing Dealings or Payments Wrongfully: § 13.1045 Enforcing dealings or payments wrongfully. Subpart—Misrepresenting Oneself and Goods—Business Status, Advantages or Connections: § 13.1395 Connections and arrangements with others; § 13.1397 Customer connection.—Goods: § 13.1625 Free goods or services; § 13.1720 Quantity.—Prices: § 13.1776 Prices. Subpart—Neglecting, Unfairly or Deceptively, To Make Material Disclosure: § 13.1895 Scientific or other relevant facts. Subpart—Offering Unfair, Improper and Deceptive Inducements To Purchase or Deal: § 13.1928 Customer connection or action; § 13.1955 Free goods; § 13.2063 Scientific or other relevant facts. Subpart—Securing Orders By Deception: § 13.2170 Securing orders by deception.

[1] Copies of the Complaint and Decision and Order filed with the original document.

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interprets or applies sec. 5, 38 Stat. 719, as amended; 15 U.S.C. 45)

Carol M. Thomas,

Secretary.

[FR Doc. 80-16254 Filed 5-28-80; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

17 CFR Part 200

[Release Nos. 33-6212; 34-16829; 35-21586; 39-567; IC-11181; IA-722]

Comprehensive Revision of Regulation Concerning Conduct of Members and Employees and Former Members and Employees

AGENCY: Securities and Exchange Commission.

ACTION: Final rule.

SUMMARY: The Commission is revising its Conduct Regulation. A number of changes have been made in the current rules to reflect changes in federal regulations; to reflect changes in Commission policy; and to make existing rules more specific.

EFFECTIVE DATE: June 2, 1980.

FOR FURTHER INFORMATION CONTACT: Myrna Siegel, Ethics Counsel, Securities and Exchange Commission, Washington, D.C. 20549 (202) 272-2430.

SUPPLEMENTARY INFORMATION: During the past two years the Commission's Conduct Regulation has been undergoing a thorough review. While the Regulaton has been amended several times [1] since its adoption on April 7, 1966, it has remained essentially the same for the last fourteen years. Although the Commission has consistently acted to maintain high standards of ethical conduct within the agency, the current Conduct Regulation has not always provided sufficient guidance.

The Commission's Conduct Regulation as it now exists presents a broad framework of ethical standards,[2] followed by specific rules dealing with such areas as outside or private employment [3] and securities transactions.[4] Although this broad approach provides the flexibility required for ethical rules, the current Regulation appears to be deficient in several areas. Specifically, it does not include interpretations of various rules which are currently adhered to; it is not sufficiently specific in some areas; it does not provide sufficient guidance with respect to procedures that members and employees should follow when faced with ethical conduct questions; and certain provisions are inappropriate in the face of changing federal statutes.

To remedy these problems the Commission is adopting a comprehensive revision of its Conduct Regulation. Each rule has been reviewed both individually and as part of the entire structure and changes have been made to make the Regulation more readable and more effective as a guide to acceptable conduct by Commission employees.

The reader is referred to the entire Conduct Regulation, set forth below.

The following is a synopsis only of the major changes in the various rules.

§ *200.735–1 Policy.*

Minor changes.

§ *200.735–2 Purpose.*

Minor changes.

§ *200.735–3 General provisions.*

The major changes in this rule are:

(1) The possibility of additional restrictions on the conduct of employees in certain Offices, Divisions or Regions.

(2) More specific restrictions on the acceptance of free meals.

(3) The addition of rules applicable to the acceptance of meals or gifts when one is a participant in a conference or meeting.

(4) The requirement of disclosure to a supervisor under certain circumstances when one is negotiating for employment with another government agency.

§ *200.735–4 Outside employment and activities.*

The major changes in this rule are:

(1) Additions to the list of types of entities with whom employment would be incompatible with concurrent Commission employment.

(2) Narrowing of the focus of the rule dealing with incompatible employment of a spouse or member of a Commission employee's household so that such employment would only be incompatible if the spouse or "member of the employee's household" is employed (a) by an entity subject to regulation by the Commission; *or* (b) where the actual job is directly related to the issuance, sale, purchase or investment of securities; *and* (c) in a capacity which relates *directly* to the Commission employee's official duties and activities.

(3) Allowing acceptance of reimbursement for travel expenses from

[1] *See* 33 FR 2631 (Feb. 7, 1968); 42 FR 30834 (June 17, 1977); 43 FR 36900 (Aug. 21, 1978).

[2] 17 CFR 200.735–3 General Provisions.

[3] 17 CFR 200.735–4.

[4] 17 CFR 200.735–7.