

information) disseminated by Federal agencies." The statute further requires OMB to require each Federal agency to issue its own guidelines. OMB's amended final guidance appears at 67 FR 8452, February 22, 2002, and at http://www.whitehouse.gov/omb/fedreg/final_information_quality.htm. The OMB guidelines, as further revised at 67 FR 9797, March 4, 2002, require each Federal agency to post its own draft guidelines on the Internet by May 1, 2002. Based on comments from the public and OMB, final agency guidelines will be issued by October 1, 2002. Thereafter, starting on January 1, 2004, agencies must file annual fiscal year reports to OMB on the number, nature and resolution of complaints about alleged noncompliance with the agency guidelines.

A paper copy of the guidelines may also be obtained by telephoning Mary Kelsey at 301-504-0000.

Dated: April 25, 2002.

Todd Stevenson,

Secretary, Consumer Product Safety Commission.

[FR Doc. 02-10636 Filed 4-29-02; 8:45 am]

BILLING CODE 6355-01-P

CONSUMER PRODUCT SAFETY COMMISSION

[CPSC Docket No. 02-C0004]

Peg Perego U.S.A., Inc., a Corporation Provisional Acceptance of a Settlement Agreement and Order

AGENCY: Consumer Product Safety Commission.

ACTION: Notice.

SUMMARY: It is the policy of the Commission to publish settlements which it provisionally accepts under the Consumer Product Safety Act in the **Federal Register** in accordance with the terms of 16 CFR 11180.(e). Published below is a provisionally-accepted Settlement Agreement with Peg Perego U.S.A., Inc., a corporation containing a civil penalty of \$150,000.

DATES: Any interested person may ask the Commission not to accept this agreement or otherwise comment on its contents by filing a written request with the Office of the Secretary by May 15, 2002.

ADDRESSES: Persons wishing to comment on this Settlement Agreement should send written comments to the Comment 02-C0004 Office of the Secretary, Consumer Product Safety Commission, Washington, DC 20207.

FOR FURTHER INFORMATION CONTACT: Belinda V. Mitchell, Trial Attorney,

Office of the General Counsel, Consumer Product Safety Commission, Washington, DC 20207; telephone (301) 504-0980, 1346.

SUPPLEMENTARY INFORMATION: The text of the Agreement and Order appears below.

Dated: April 25, 2002.

Todd A. Stevenson,

Secretary.

In the Matter of Peg Perego U.S.A., Inc. a Corporation; Settlement Agreement and Order

1. This Settlement Agreement, made by and between the staff ("the staff") of the U.S. Consumer Product Safety Commission (the "Commission") and Peg Perego U.S.A., Inc., ("Peg Perego" or "Respondent"), a corporation, in accordance with 16 CFR 1118.20 of the Commission's procedures for Investigations, Inspections, and Inquiries under the Consumer Product Safety Act ("CPSA"), is a settlement of the staff allegations set forth below.

The Parties

2. The Commission is an independent federal regulatory agency responsible for the enforcement of the Consumer Product Safety Act, 15 U.S.C. 2051-2084.

3. Peg Perego is a corporation organized and existing under the laws of the State of Indiana with its principal corporation offices located in Fort Wayne, Indiana.

Staff Allegations

4. Between 1990 and 1998, Peg Perego manufactured and sold nationwide approximately 274,000 battery-powered 12-volt ride-on vehicles (the "vehicle(s)" or the "product(s)"). These vehicles are intended for use by children three to eight years old.

5. The vehicles are "consumer products" and Respondent is a "manufacturer" of "consumer products", which were "distributed in commerce" as those terms are defined in sections 3(a)(1), (4), (11) and (12) of the CPSA, 15 U.S.C. 2052(a)(1), (4), (11), and (12).

6. The vehicles are defective because their electrical components can overheat and cause fires. If this should occur, children and others could suffer serious injuries or die. Additionally, the foot pedals can get stuck in the "on" position, preventing the vehicles from stopping and thereby creating the potential for collisions that could cause serious injury or death.

7. Between April 1994 and March 1997, Peg Perego received approximately 197 reports of the vehicles' electrical components overheating, causing smoking, melting or fire. These incidents resulted in two burn injuries, one involving a 2nd degree burn injury to a child, and approximately \$55,000 in property damage to three houses and garages. Despite being aware of this information, Peg Perego did not voluntarily provide it to the Commission.

8. Not until March 17, 1997, after receiving a letter from the staff requesting information about battery operated vehicle fire incidents, did Peg Perego provide the staff with

information about the vehicles' overheating defect.

9. In April 1998, Peg Perego submitted an initial report to the Commission reporting the foot pedal sticking problem. By this time, Respondent was aware of approximately 20 incidents involving the products' failure to stop, resulting in one concussion and six minor injuries when the vehicles hit a tree, car, truck, pole, or fence.

10. Although Peg Perego had obtained sufficient information to reasonably support the conclusion that these vehicles contained defects which could create a substantial product hazard, or created an unreasonable risk of serious injury or death, it failed to report such information to the Commission as required by section 15(b) of the CPSA. By failing to report, Peg Perego violated section 19(a)(4) of the CPSA, 15 U.S.C. 2068(a)(4).

11. Respondent committed this failure to report to the Commission "knowingly" as the term "knowingly" is defined in section 20(d) of the CPSA, 15 U.S.C. 2069(d), and Respondent is subject to civil penalties under section 20 of the CPSA.

Response of Peg Perego

12. Peg Perego denies the allegations of the staff that the vehicles contain a defect which could create a substantial product hazard pursuant to section 15(a) of the CPSA, 15 U.S.C. 2064(a), and denies that it violated the reporting requirements of section 15(b) of the CPSA, 15 U.S.C. 2064(b).

13. Respondent denies that the information available to it reasonably supported the conclusion that the vehicles contained a defect which could create a substantial product hazard or created an unreasonable risk of serious injury or death, and, therefore, no report was required under section 15(b) of the CPSA, 15 U.S.C. 2064(b).

14. Notwithstanding its denial that the vehicles contain a defect which could create a substantial product hazard, and notwithstanding its denial that the vehicles create an unreasonable risk of serious injury or death, Respondent nevertheless, cooperated with the staff in recalling the products.

15. Respondent agrees to this Settlement Agreement and Order solely to avoid incurring additional legal costs and it does not constitute, nor is it evidence of, an admission of any fault, any liability, any violation of any law, or any wrongdoing by Respondent.

16. Respondent enters into this Agreement solely to settle the allegations of the staff that a civil penalty is appropriate.

Agreement of the Parties

17. The Commission has jurisdiction over this matter and over Peg Perego under the CPSA, 15 U.S.C. 2051-2084.

18. Peg Perego agrees to pay to the order of the U.S. Treasury a civil penalty in the amount of one hundred fifty thousand dollars (\$150,000.00), in settlement of this matter, payable within twenty (20) days after service of the Final Order of the Commission accepting this Settlement Agreement.

19. This Settlement Agreement and Order is entered into for settlement purposes only and does not constitute findings by the

Commission or an admission of any fault, any liability, any violation of any law, or any wrongdoing by Respondent.

20. Peg Perego knowingly, voluntarily and completely waives any rights it may have in the above captioned case (i) to the issuance of a Complaint in this matter; (ii) to an administrative or judicial hearing with respect to the staff's allegations cited herein; (iii) to judicial review or other challenge or contest of the validity of the Settlement Agreement or the Commission's Order; (iv) to a determination by the Commission as to whether a violation of Section 15(b) of the CPSA, has occurred, (v) to a statement of findings of fact and conclusions of law with regard to the staff's allegations; and (vi) to any claims under the Equal Access to Justice Act.

21. Upon provisional acceptance of this Settlement Agreement and Order by the Commission, the Commission shall place this Agreement and Order on the public record and shall publish it in the **Federal Register** in accordance with the procedure set forth in 16 CFR 1118.20(e). If the Commission does not receive any written request not to accept the Settlement Agreement and Order within 15 days, the Agreement and Order shall be deemed finally accepted on the 16th day after the date it is published in the **Federal Register**, in accordance with 16 CFR 1118.20(f).

22. This Settlement Agreement and Order becomes effective after its final acceptance by the Commission and service upon Respondent.

23. Upon final acceptance of this Settlement Agreement by the Commission, the Commission may publicize the terms of the Settlement Agreement and Order.

24. Respondent agrees to the entry of the attached Order, which is incorporated by reference, and agrees to be bound by its terms.

25. This Settlement Agreement and Order is binding upon Peg Perego, its parent and each of their assigns and successors.

26. Final acceptance of this Settlement Agreement by the Commission, the issuance of this Order, and the full and timely payment by Peg Perego to the United States Treasury of a civil penalty in the amount of one hundred fifty thousand dollars (\$150,000.00), fully and completely resolves

the issue of liability to the Commission under section 20 of the CPSA for a civil penalty arising from the allegations in paragraphs 4 through 11 above.

27. If, after the effective date hereof, any provision of this Settlement Agreement and Order is held to be illegal, invalid, or unenforceable under present or future laws effective during the terms of the Settlement Agreement and Order, such provision shall be fully severable. The rest of the Settlement Agreement and Order shall remain in full effect, unless the Commission and Peg Perego determine that severing the provision materially impacts the purpose of the Settlement Agreement and Order.

28. This Settlement Agreement and Order shall not be waived, changed, amended, modified, or otherwise altered, except in writing executed by the party against whom such amendment, modification, alteration, or waiver is sought to be enforced, and approved by the Commission.

29. This Settlement Agreement may be used in interpreting the Order. Agreements, understandings, representation, or interpretations made outside of this Settlement Agreement and Order may not be used to vary or to contradict its terms.

Dated: April 4, 2002.

Peg Perego, USA, Inc.

Kellen W. Watkins,

Vice President.

The Consumer Product Safety Commission

Alan H. Schoem,

Director, Office of Compliance.

Eric L. Stone,

Director, Legal Division, Office of

Compliance,

April 8, 2002.

Belinda V. Mitchell,

Trial Attorney,

Ronald G. Yelenik,

Trial Attorney, Legal Division, Office of Compliance.

Peg Perego U.S.A., Inc., a Corporation; Order

Upon consideration of the Settlement Agreement between Respondent Peg Perego U.S.A., Inc., a corporation, and the staff of the Consumer Product Safety Commission, and the Commission having jurisdiction over the subject matter and over Peg Perego U.S.A., Inc., and it appearing the Settlement Agreement is in the public interest, it is

Ordered, that the Settlement Agreement be, and hereby is, accepted, and it is

Further Ordered, that Peg Perego U.S.A., Inc. shall pay to the order of the U.S. Treasury a civil penalty in the amount of one hundred fifty thousand dollars (\$150,000.00), payable within twenty (20) calendar days after service of this Final Order upon Peg Perego U.S.A., Inc.

Provisionally accepted and Provisional Order issued on the 25th day of April, 2002.

By Order of the Commission.

Todd A. Stevenson,

Secretary, Consumer Product Safety Commission.

[FR Doc. 02-10637 Filed 4-29-02; 8:45 am]

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DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 02-23]

36(b)(1) Arms Sales Notification

AGENCY: Department of Defense, Defense Security Cooperation Agency.

ACTION: Notice.

SUMMARY: The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Pub. L. 104-164 dated 21 July 1996.

FOR FURTHER INFORMATION CONTACT: Ms. J. Hurd, DSCA/COMPT/RM, (703) 604-6575.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 02-23 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: April 24, 2002.

Patricia L. Toppings,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

BILLING CODE 5001-08-M