commenter is concerned with several recommendations in the report and encourages the Department of Transportation to carefully consider the evidence, believing that there can be a balance among the air tour industry, the NPS, the FAA, and environmental groups.

The NTSB supports extending the SFAR for 2 years. However the NTSB believes that a permanent nationwide policy for air tour operators should be

implemented.

The BIA states that, if the FAA extends the SFAR, it should consult with various Indian tribes residing within or having ties to the Grand Canyon area during the 2-year extension period concerning potential impact to their reservation environment.

Several commenters support extension of the current rule; however, they request an adjustment to the tour route known as the Dragon Corridor. The commenters believe that adjustment to this corridor would lessen the noise impact on visitors to the heavily used Hermit's Rest overlook and trail.

One commenter "strongly opposes" the SFAR in its present form, given the NPS report. The commenter recommends prohibiting an increase in the number of Grand Canyon tour flights from 1988 levels and requiring tour operators to provide the FAA with sufficient information to monitor the number of tour operations.

The FAA has determined that comments requesting amendments to the current rule are beyond the scope of the NPRM. The NPRM did not recommend any changes to the current SFAR; it merely proposed extending the rule in its existing form. The FAA is currently reviewing and analyzing the NPS report and recommendations as to the impact on the safety of air traffic at the Grand Canyon. The FAA has determined that any substantive change at this point will be inappropriate. Upon completing the review and analysis of the NPS report, the FAA may amend SFAR No. 50-2 through the rulemaking process.

## The Rule

This rule amends the expiration date of the current SFAR 50-2 from June 15, 1995, to June 15, 1997. The airspace restrictions and operating procedures for the airspace over the Grand Canyon are not altered by this action. In consideration of the need to avoid confusion on the part of pilots operating in the vicinity of the Grand Canyon, the FAA finds good cause, pursuant to 5 U.S.C. § 553(d), for making this action effective in less than 30 days to promote the safe and efficient operation of

aircraft in the airspace above the Grand Canyon.

## **Environmental Review**

As discussed above, Pub. L. 100–91 required the DOI to submit a report to Congress with 2 years of implementation regarding the success of the final airspace management plan for the Grand Canyon, including possible revisions. Now that this report has been forwarded to both Congress and the FAA, the FAA is required to comment on whether any of these revisions would have an adverse effect on aircraft safety.

Pub. L. 100-91 essentially reflects a decision by Congress that a final airspace management plan, currently set forth in SFAR No. 50-2, should continue permanently with any appropriate modifications developed as a result of the follow-on study. The statue and its legislative history show that Congress considered the environmental and economic concerns inherent in regulating the navigable airspace over the Grand Canyon. Since Congress, and not the FAA, determined to make permanent an airspace management plan as delineated in SFAR No. 50–2, this extension of SFAR No. 50–2 does not require compliance with the National Environmental Policy Act of 1969 (NEPA).

Assuming, for the sake of argument, that the FAA has discretion to terminate SFAR No. 50-2, this action to extend its effectiveness for 2 more years is categorically excluded from the requirements of the NEPA. (See FAA Order 1050.1D, Par. 31(a)(4), "Policies and Procedures for Considering Environmental Impacts.") A documented categorical exclusion has

been placed in the docket.

Alternatively, the analysis in the 1988 Environmental Assessment (EA) and the Finding of No Significant Impact remain valid and support a determination that this extension is not likely to significantly impact the environment. The extension will not cause significant environmental impacts because it will not change the volume of traffic, the altitude of flight routes, or the noise characteristics of the aircraft typically used in canyon flights between now and

This extension will enable the FAA to consider recommendations that the DOI forwarded in September 1994 to enhance the effectiveness of the SFAR. Based upon its studies, the DOI has concluded that the SFAR has significantly reduced noise impacts in areas of the Grand Canyon. However, the DOI believes the benefits may be lost unless additional restrictions are adopted.

## **Regulatory Evaluation Summary**

Changes to Federal regulations must undergo several economic analyses. First, Executive Order 12866 directs that each Federal agency shall propose or adopt a regulation only upon a reasoned determination that the benefits of the intended regulation justify its costs. Second, the Regulatory Flexibility Act of 1980 requires agencies to analyze the economic effect of regulatory changes on small entities. Third, the Office of Management and Budget directs agencies to assess the effect of regulatory changes on international trade. In conducting these analyses, the FAA has determined that this rule is not a "significant regulatory action" as defined in the Executive Order and the Department of Transportation Regulatory Policies and Procedures. This rule will not have a significant impact on a substantial number of small entities and will not constitute a barrier to international trade.

SFAR No. 50–2 was justified based on the DOI's December 1987 benefit-cost analysis. This analysis stated that 40 to 45 operators conducted air tours over the Grand Canyon with an estimated revenue of \$30 to \$50 million per year. The number of operations over the Grand Canyon was growing, with operations at Grand Canyon National Park Airport increasing 300 percent from 1974 to 1980.

The establishment of large flight-free zones was expected to roughly double the time for Tusayan-based operators to reach the canyon rim. The DOI analysis assumed that these operators could adjust for the increased travel time by increasing the overall tour length and passing on any additional costs to the consumer. While the percent of tour time spent over the canyon would decrease, small price increases or slightly decreased flight time over the canyon was not expected to result in a decreased ridership. In addition, even though Tusayan-based companies would incur costs to modify advertising literature and tour narrations due to route change requirements, the DOI analysis assumed that these costs would likely be part of the normal operating program. The benefits to the park resources (natural quiet, wildlife, archeological features, etc.) and the more than 3,315,000 visitors (about 3 million front-country users and over 90 percent of the 350,000 back-country, below rim users each year) would accrue primarily from the increased quiet resulting from noise reduction. Thus, DOI concluded that this NPRM would be cost-beneficial because cost to air tour operators would be minimal and