## Regulatory Evaluation Summary

#### Cost-Benefit Analysis

The FAA has considered the impact of this rulemaking action under E.O. 12866 and the Department of Transportation's regulatory policies and procedures. This rulemaking document was reviewed under E.O. 12866, "Regulatory Planning and Review." This section has been determined to be "significant" under the Department of Transportation's regulatory policies and procedures. The FAA prepared a preliminary Economic Assessment for the NPRM. The FAA has evaluated the anticipated costs and benefits, which are summarized below. For more detailed economic information, see the full regulatory evaluation contained in the docket.

#### Costs

The FAA estimates that the present value of the costs of this proposed rule discounted 7 percent over the next 10 years is \$6.6 million. Proposed § 61.212 on increased recordkeeping requirements is the most costly provision at \$437,000 annually representing 46 percent of the total annual cost of almost \$950,000. Proposed § 61.217 on the practical test for instructor applicants is the second most costly provision at \$435,000 annually, representing 43.9 percent of the total annual cost.

## Benefits

The FAA also estimates that the present value of the benefits of this proposed rule discounted 7 percent over the next 10 years is \$368.7 million. Proposed §61.65 reducing the amount of flight time needed before applying for an instrument rating provides the greatest benefit in cost savings at \$18.7 million annually representing 36 percent of the total annual benefits (\$52.5 million annually). Various provisions that together provide numerous safety benefits result in annual benefits of \$21.1 million or 40 percent of the total.

## Economic Conclusions

Based upon the low compliance cost coupled with the large cost savings and the safety benefits, the FAA concludes that the proposed rule is cost beneficial.

# Initial Regulatory Flexibility Determination

The Regulatory Flexibility Act of 1980 (RFA) was enacted by Congress to ensure that small entities are not unnecessarily and disproportionately burdened by government regulations. The RFA requires agencies to review

rules that may have "a significant cost impact on a substantial number of small entities."

All of the major changes in the rules discussed in this NPRM affect pilots, flight instructors, and ground instructors, who are individuals rather than business or government entities. The revisions that impact pilot schools do not exceed the cost-threshold level, as found in the RFA. In fact, as this report shows, the proposed rule would result in net overall annual cost savings of about \$3,000 per pilot school. The FAA has determined that the proposed revisions would not have a significant economic impact on a substantial number of small entities.

## International Trade Impact Analysis

The Office of Management and Budget (OMB) requires Federal agencies to determine whether any proposed rule or regulation would have an impact on international trade. The revisions discussed in this NPRM primarily affect the domestic operations of individual pilots, flight instructors and ground instructors, not of business entities. In the case of pilot schools or aircraft operators, it is not likely that the services produced by these entities would involve the international trade flows of aviation products or services and thus do not impact trade opportunities for U.S. firms doing business overseas and foreign firms doing business in the United States. Thus, the FAA believes the proposed changes would have no impact on trade opportunities for both U.S. firms doing business overseas and foreign firms doing business in the United States. The FAA welcomes any comments on this issue.

## Federalism Implications

The regulations proposed in this notice would not have substantial direct effects on the States, on the relationship between the National Government and the States, or on the distribution of power and responsibilities among the various levels of Government.

Therefore, in accordance with Executive Order 12612, it is determined that this amendment would not have federalism implications requiring the preparation of a Federalism Assessment.

### Paperwork Reduction Act Approval

The reporting and recordkeeping requirements associated with this rule are being submitted to the Office of Management and Budget (OMB) for approval in accordance with 44 U.S.C. 35 under OMB No: ; Title: Pilot, Flight Instructor, Ground Instructor, and Pilot School Certification Rules; Form(s)

None; Average Burden Hours per Respondent:

For Further Information Contact: The Information Requirements Division, M–34, Office of the Secretary of Transportation, 400 Seventh Street, SW., Washington, DC 20590; (202) 366–4735.

Comments on these information collection requirements should be submitted to the Office of Information and Regulatory Affairs OMB, Washington, DC 20503, Attention: Desk Officer for FAA. Comments submitted to OMB should also be submitted to the FAA docket.

Specific Time and Hour Requirements

The FAA has proposed specific time and hour requirements in various sections of this NPRM. These specific time and hour requirements may be modified in light of the comments received to the docket, thus modifying the scope of the NPRM.

#### Conclusion

For the reasons discussed in the preamble, and based on the findings in the Initial Regulatory Flexibility Determination and the International Trade Impact Analysis, the FAA has determined that this proposed regulation is a significant regulatory action under Executive Order 12866. In addition, it is certified that this proposal, if adopted, will not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act. This proposal is considered significant under Order DOT 2100.5, Policies and Procedures for Simplification, Analysis, and Review of Regulations. A draft regulatory evaluation of the proposal. including an initial Regulatory Flexibility Determination and International Trade Impact Analysis, has been placed in the docket. A copy may be obtained by contacting the person identified under FOR FURTHER INFORMATION CONTACT.

## List of Subjects

14 CFR Part 1

General definitions, Abbreviations and symbols, Rules of construction.

#### 14 CFR Part 61

Air safety, Aircraft, Aircraft pilots, Airmen, Airplanes, Aviation safety, Compensation, Education, Foreign persons, Helicopters, Pilots, Rotorcraft, Safety, Students, Teachers, Transportation.