or a combination of several factors such as:

• Preventing the occurrence of a problem with an airplane in the first place (Commuter rule);
• Providing more or better crew training to properly respond to the problem after it occurs (Air Carrier Training Program rule);
• Providing a dispatcher to help identify a problem before it becomes a potential accident (Commuter rule); and
• Ensuring pilots are not over-worked and tired (The Rest and Duty NPRM).

The Commuter Rule only addresses a portion of the necessary requirements to close the accident-rate gap. If the $75 million present value cost of this rule is combined with the $51 million in cost-savings of the Flight and Duty NPRM, and the cost of Pilot Training, $34 million, the total cost, $58 million ($34 − $51+$75), is still less than the estimated $350 million benefit of eliminating the accident-rate gap. These rules combined need only be 17 percent effective to be cost-beneficial.

E. International Trade Impact Assessment

Overview. The final rule will have a minimal effect on international trade. Although there are a number of across-the-border commuter services between the U.S., Canada, and Mexico, they represent a small number of routes and airplanes. The only other concern with regard to international trade is airplane sales. There is the potential that increased equipment requirements and standards may limit the ability of commuter airplanes manufactured for the U.S. market to be resold to buyers in developing nations. Often, these countries do not have extensive safety requirements and may prefer less sophisticated airplanes.

International Routes. Most of the nation's 63 commuter airlines operate almost exclusively on domestic routes, with only limited international operations and no transoceanic routes. The majority of these international operations are across-the-border services between cities in the United States and locations in Canada and Mexico. There are relatively few carriers engaging in this kind of commuter service, with only a limited number of flights. Most of these services are between points in the border states, such as California, Arizona, Texas, Wisconsin, Michigan, Washington, and New York, flying to Mexican and Canadian cities. Although the final rule may require some foreign carriers to comply with its requirements, the primary effect will still be borne by the domestic air carrier market with a minimal affect on international trade.

Airplane Sales. Commuter airplanes are sold on a worldwide basis, and this creates the potential for international trade impacts. The final rule could affect the competitiveness of airplanes made for the U.S. market that are resold internationally. Under the final rule, commuter airplanes made for the American market would include new equipment and upgrades necessary to meet expanded safety requirements. These improvements will increase the cost and maintenance requirements for the airplane and could negatively affect their sales potential in foreign markets, particularly to customers in developing nations.

Many small air carriers in the developing world fly under significantly lower safety requirements than are required in the United States. Operators are generally not motivated to purchase airplanes that exceed their countries' minimum requirements. Further, these operators sometimes lack the facilities, equipment, and expertise that are necessary to keep sophisticated systems operational. Therefore, when purchasing either new or second-hand airplanes, operators tend to focus on airplanes that rely on a minimum of complex systems and equipment and that meet their basic requirements at the lowest cost.

Although sales of smaller airplanes to the developing countries represent an important component of the market, the largest market by far is in North America. In this case, since the airplanes will have to operate under the same standards as before their resale, there would be no impact. According to recent estimates, the worldwide market for commuter airplanes is estimated to be almost $20 billion over the next 15 years, with a projected 59 percent of those sales occurring in North America. Sales to Europe account for approximately 20 percent of the total sales.

F. Regulatory Flexibility Determination Summary

The Regulatory Flexibility Act of 1980 (RFA) was enacted by Congress to ensure that small entities are not unnecessarily or disproportionately burdened by Federal regulations. The RFA requires a Regulatory Flexibility Analysis if a final rule will have ''a significant economic impact on a substantial number of small entities.'' The definitions of small entities and guidance material for making determinations required by the Regulatory Flexibility Act of 1980 are contained in the Federal Register [47 FR 32825, July 29, 1982]. Federal Aviation Administration (FAA) Order 2100.14A outlines FAA's procedures and criteria for implementing the RFA. With respect to the final rule, a ''small entity'' is defined as a commuter operator (with 10 to 30 seats) that owns, but does not necessarily operate nine or fewer airplanes. A ''significant economic impact on a small entity'' is defined as an annualized net compliance cost to a small scheduled commuter operator that is equal to or greater than $67,000 (1994 dollars). The entire fleet of a small scheduled commuter operator has at least one airplane of seating capacity of 60 or fewer seats. The annualized net compliance cost to a small operator whose entire fleet has a seating capacity of over 60 seats is $119,900 (1994 dollars). A substantial number of small entities is defined as a number that is 11 or more and that is more than one-third of small commuter operators subject to the final rule.

The FAA is requiring certain commuter operators that now conduct operations under part 135 to conduct those operations under part 121. The commuter operators that will be affected are those conducting scheduled passenger-carrying operations in airplanes that have a passenger-seating configuration of 10 to 30 seats and those conducting scheduled passenger-carrying operations in turbojets regardless of seating configuration. The rule will revise the requirements concerning operating certificates and operations specifications. The rule will also require certain management officials for all operators under parts 121 and 135. The rule will increase safety in scheduled passenger-carrying operations and clarify, update, and consolidate the certification and operations requirements for persons who transport persons or property by air for compensation or hire.

The total present value cost to small entities with 10-to-19-seat airplanes is $16.7 million. The section on operations represents $10.1 million or 64 percent of the total. The section on maintenance represents $4.0 million or 24 percent of the total. The total present value cost to small entities with 20-to-30-seat airplanes is $4.0 million. The section on operations represents $2.9 million or 73 percent of the total. The section on part 119 represents $416,000 or 10.4 percent of the total.

This determination shows that for an operator with only 10-to-19-seat airplanes, the average annualized cost will be $61,900 and for an operator with 20-to-30-seat airplanes, the average annualized cost will be $35,600. Given the threshold annualized cost of $67,000