trade. In conducting these analyses, the FAA has determined that this Final Rule would generate benefits that justify its costs and is a ''significant regulatory action'' as defined in the Executive Order. The FAA estimates that the Final Rule will not have a significant economic impact on a substantial number of small entities. No part of the rule is expected to constitute a barrier to international trade. These analyses are provided in the docket and are summarized below.

Response to Comments on the Original Regulatory Evaluation

Two interested parties submitted comments concerning the preliminary regulatory evaluation. Their comments and FAA's disposition are summarized below by subject area.

Wages

Comment: The Coalition of Flight Attendant Unions states that the $27 hourly compensation rate used for part 121 flight attendants seems ''excessive.''

FAA Response: In response to this comment, the FAA recalculated the hourly compensation rate for part 121 flight attendants based on the Future Aviation Professionals of America's (FAPA) *1994–1995 Flight Attendant Directory of Employers & Salary Survey*. These data support the $27 hourly compensation rate for flight attendants who have been employed for 5 years.

Initial Training

Comment: The Coalition of Flight Attendant Unions states that air carriers do not typically pay or provide benefits to flight attendants during initial training because the trainees are not yet employees. According to the commenter, the provision of lodging and meals during initial training varies among carriers. Many carriers will pay for lodging, some will pay for meals, some provide a small stipend, and some do not defray meal costs at all.

FAA Response: While the FAA agrees that airlines do not necessarily assume the full cost, the agency believes it is appropriate to consider the costs to others including the flight attendants themselves. The FAA believes that if a flight attendant were not attending a training session, the flight attendant would most likely be working at another job earning a wage rate comparable to that of a first year flight attendant. Accordingly, the FAA has calculated costs based on the full hourly compensation rate. The FAA estimates that a first year flight attendant earns hourly compensation of $18.00 for part 135 operators and $20 for part 121 operators. The FAA also estimates that flight attendant training will cost $125 per day for meals and lodging regardless of whether the operator or flight attendant absorbs these costs.

Recurrent Training

Comment: The Coalition of Flight Attendant Unions states that compensation during recurrent training varies among carriers. Some carriers pay no salary during training, while others pay a contractual level substantially below the working flight attendant rate, according to the commenter. Also, some carriers pay per diem while other do not. This commenter provided a brief summary of flight attendant training costs for selected major, national, and regional air carriers.

FAA Response: After reviewing this comment, the FAA has decided to use the compensation rate for a fifth-year flight attendant to compute the compensation rate for recurrent training ($23 for part 135 and $27 for part 121). Based on the discussion above, the evaluation assumes that flight attendants are compensated at their hourly flight rate. Per diem is estimated at $125, regardless of whether the airline or the flight attendant absorbs this cost.

Training Hours

Comment: The Coalition of Flight Attendant Unions states that, based on experience, reductions in training hours are routinely requested and are nearly as routinely granted. The commenter concludes that, following approval of credits and reductions, this rule could result in some carriers absorbing hourly requirements of CRM initial and recurrent training into existing initial and recurrent training programs.

FAA Response: The FAA recognizes this concern, but for purposes of this regulatory evaluation, the cost estimate is based on the average number of planned hours on which established programs are based. For some operators, therefore, such costs may be overstated.

CRM Training Benefits

Comment: The U.S. Small Business Administration (SBA) states that the FAA overestimated the benefits of CRM training for part 135 operators. The SBA states that the FAA assumed that such training would be 100 percent successful in eliminating accidents attributable at least in part to coordination problems. The SBA believes that this is an overly optimistic scenario and encourages the FAA to examine the accident rate of operators who already have CRM programs and use it as the basis for estimating benefits of the training.

The SBA further encourages the FAA to confirm whether the accident rate for part 135 operators resulting from crew coordination problems includes only accidents involving the types of aircraft affected by the rule. According to the commenter, the FAA did not specify whether the accidents involved were the types of part 135 aircraft subject to the rule. In contrast, in estimating the benefits of raising part 135 training to part 121 levels, the FAA specified that the accidents involving part 135 aircraft were of the type affected by the proposal. If the accident rate included part 135 aircraft other than the types covered by the proposed regulation, then the FAA would overestimate the proposal's benefits. For an accurate assessment of CRM's benefits, the FAA must confirm that the accident data used for estimating CRM's benefits is limited to the types of planes covered by the proposal for part 135 operators.

FAA Response: With respect to the comment on effectiveness, the FAA does not expect the rule to be 100 per cent effective. Based on our calculations, the part 135 CRM requirements need to reap only 4 per cent of the estimated benefits to be cost beneficial. The commenter is correct with respect to the accidents included. The final regulatory evaluation has been changed to consider only those accidents involving aircraft affected by this rule.

Regulatory Flexibility Analysis

Comment: The SBA states that the proposal's regulatory flexibility analysis is not in conformance with the Regulatory Flexibility Act (RFA). First, according to the commenter, the FAA did not provide the public with the opportunity to assess the FAA's justification for its criteria for evaluating the significance of a rule's economic impacts. Second, the FAA did not adhere to the procedures for establishing a small business definition different from the definition under § 3 of the Small Business Act. Prior to issuing a final rule, the FAA must make publicly available the development process it used for deriving the threshold criteria for judging the significance of the proposed regulation's economic impact on small entities. The FAA must also consult with the SBA on the use of its alternative small business definition and ask for public comment on the appropriateness of the alternative definition.

FAA Response: The FAA disagrees with this comment. The FAA extensively coordinated the subject criteria and definitions with the appropriate agencies. In 1982, the FAA