

at \$20 million, in 1992 dollars, over the next 10 years (or \$12.4 million, discounted, using a 7.0 percent rate of interest). These potential cost savings benefits would take the form of increased operational efficiency (qualitative) and cost savings (quantitative) to those part 121 operators engaged in initial simulator training, in accordance with Appendix H.

The potential cost savings benefits of the proposed rule represent the difference between the costs incurred currently by part 121 air carriers for initial training and checking of SIC pilots and the costs that would be incurred if the proposal were to become a rule. Currently, certain requirements for initial training and checking of SIC pilots that are not performed in a Level D simulator must be performed in the aircraft. Under the proposed rule, those requirements that are performed in the aircraft in lieu of a Level D simulator would be performed in a Level C simulator. The costs of operating the aircraft for those requirements above the costs of operating the less expensive simulator for those same requirements is the estimated benefit of this proposed rule.

In an effort to derive a cost-relief estimate associated with this proposed rule, several part 121 air carriers were contacted. These air carriers provided the agency with estimated aircraft operating costs per hour, the time needed to train and check pilots for those requirements that, under the present rule, cannot be performed in a Level C simulator, and the number of pilots that it expects to train in the next 10 years.

Potential Operational Efficiency Benefits

The potential benefits of the proposed rule would be generated in the form of increased operational efficiency. In the full regulatory evaluation placed in the docket, these potential efficiency benefits are presented qualitatively. These benefits are difficult to estimate quantitatively due, at present, to the lack of available cost information.

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 government agencies to determine whether rules will have "a significant economic impact on a substantial number of small entities" and, in cases where they will, conduct a Regulatory Flexibility Analysis.

Accordingly to FAA Order 2100.14A (Regulatory Flexibility and Guidance), a substantial number of small entities is defined as a number which is not less than eleven and which is more than one-third of the small entities subject to a proposed or existing rule. A significant economic impact on a small entity is an annualized net compliance cost which, when adjusted for inflation, equals or exceeds the significant cost threshold for the entity type under review.

The entities that potentially would be affected by the proposed rule are small part 121 operators that own, but do not necessarily operate, nine or fewer aircraft. As discussed in the cost section of this evaluation summary, the proposed rule would not impose any costs on these operators because it is cost-relieving in nature. Therefore, the proposed rule would not impose a significant economic impact on a substantial number of small aircraft operators.

International Trade Impact Assessment

The proposed rule would have little, if any, impact on the competitive posture of either U.S. carriers doing business in foreign countries or foreign carriers doing business in the United States. This assessment is based on the fact that the proposed rule would not impose any cost on part 121 operators because it is cost-relieving in nature. These operators do not compete directly with air carriers engaged in foreign operations (part 129).

Federalism Implications

The regulations proposed herein 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 12866, it is determined that this proposal would not have federalism implications requiring the preparation of a Federalism Assessment.

International Civil Aviation Organization and Joint Aviation Regulations

In keeping with U.S. obligations under the Convention on International Civil Aviation, it is FAA policy to comply with ICAO Standards and Recommended Practices (SARP) to the maximum extent practicable. The FAA is not aware of any differences that this proposal would present if adopted. Any differences that may be presented in comments to this proposal, however, will be taken into consideration.

Paperwork Reduction Act

This proposed rule contains no information collection requests requiring approval of the Office of Management and Budget pursuant to the Paperwork Reduction Act (44 U.S.C. 3507 et seq.).

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 not significant 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 not considered significant under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979).

List of Subjects in 14 CFR Part 121

Air carriers, Aircraft, Airmen, Aviation safety, Safety, Transportation.

The Proposed Rule

In consideration of the foregoing, the Federal Aviation Administration proposes to amend part 121 of the Federal Aviation Regulations (14 CFR part 121) as follows:

PART 121—CERTIFICATION AND OPERATIONS: DOMESTIC, FLAG, AND SUPPLEMENTAL AIR CARRIERS AND COMMERCIAL OPERATORS OF LARGE AIRCRAFT

1. The authority citation for Part 121 continues to read as follows:

Authority: 49 U.S.C. 1354(a), 1355, 1356, 1357, 1401, 1421–1430, 1472, 1485, and 1502; 49 U.S.C. 106(g) (Revised Pub. L. 97–449, January 12, 1983).

2. Section 121.434 is amended by revising paragraphs (c)(2) and (f) to read as follows:

§ 121.434 Operating experience.

* * * * *

(c) * * *

(2) A second-in-command pilot must perform the duties of a second in command as follows:

(i) For a second-in-command pilot who received training for second-in-command duties for the relevant type airplane pursuant to any appropriate provision of this part other than paragraph 4 of "Level C Training and Checking Permitted" in Appendix H of this part, he or she must perform those duties under the supervision of a check