

benefits of the intended regulation justify its costs. Our assessment of this rulemaking shows that its economic impact is minimal because the issues addressed by this change rarely occur. FAA is aware of only two cases where judgments were pursued and obtained in countries other than where the aircraft was last registered (*IAL Aircraft Holding, Inc. v. Federal Aviation Administration*, 206 F.3d 1042, 1045, vacated, 216 F.3d 1304 (11th Cir. 2000) and *Air One Helicopters, Inc. v. Federal Aviation Admin.*, 86 F.3d 880 (9th Cir. 1996)). The judgment occurred in the country where the aircraft was last registered in other similar aircraft registration changes.

This amendment will affect only those few cases where the change in aircraft registration is filed in the United States rather than the country where the aircraft was last registered. While there may be some costs associated with these cases, such costs would vary depending on the country of last registration. Sometimes, the costs may be less than those normally associated with obtaining a proper judgment from a court of the United States.

We have not prepared a "regulatory impact analysis" because the costs and benefits of this action do not make it a "significant regulatory action" as defined in the Order. Similarly, we have not prepared a full "regulatory evaluation," which is the written cost/benefit analysis normally required for all rulemaking under the DOT Regulatory and Policies and Procedures. We do not need to prepare a full evaluation where the economic impact of a rule is minimal.

#### Regulatory Flexibility Determination

The Regulatory Flexibility Act of 1980 (RFA) established "as a principle of regulatory issuance that agencies shall endeavor, consistent with the objective of the rule and of applicable statutes, to fit regulatory and informational requirements to the scale of the business, organizations, and governmental jurisdictions subject to regulation." To achieve that principle, the RFA requires agencies to solicit and consider flexible regulatory proposals and to explain the rationale for their actions. The RFA covers a wide-range of small entities, including small businesses, not-for-profit organizations, and small governmental jurisdictions.

Agencies must perform a review to determine whether a proposed or final rule will have a significant economic impact of a substantial number of small entities. If the agency determines that it will, the agency must prepare a regulatory flexibility analysis as

described in the RFA. However, if an agency determines that a proposed or final rule is not expected to have a significant economic impact on a substantial number of small entities, Section 605(b) of the RFA provides that the head of the agency may so certify and a regulatory flexibility analysis is not required. The certification must include a statement providing the factual basis for this determination, and the reasoning should be clear.

This final rule clarifies the term "court of competent jurisdiction." This action will have a minimal impact on small entities in the aviation industry. Consequently, FAA certifies that this rule will not have a significant economic impact on a substantial number of small entities in the aviation industry.

#### Trade Impact Assessment

The Trade Agreement Act of 1979 prohibits Federal agencies from establishing any standards or engaging in related activities that create unnecessary obstacles to the foreign commerce of the United States. Legitimate domestic objectives, such as safety, are not considered unnecessary obstacles. The statute also requires consideration of international standards and, where appropriate, that they be the basis for U.S. standards. FAA has assessed the potential effect of this rulemaking and has determined that it will impose the same costs on domestic and international entities, and thus have a neutral trade impact.

#### Unfunded Mandates Assessment

The Unfunded Mandates Reform Act of 1995 (the Act) is intended, among other things, to curb the practice of imposing unfunded Federal mandates on State, local, and tribal governments. Title II of the Act requires each Federal agency to prepare a written statement assessing the effects of any Federal mandate in a proposed or final agency rule that may result in an expenditure of \$100 million or more (adjusted annually for inflation) in any one year by State, local, and tribal governments, in the aggregate, or by the private sector; such a mandate is deemed to be a "significant regulatory action."

This final rule does not contain such a mandate. The requirements of Title II of the Act, therefore, do not apply.

#### Executive Order 13132, Federalism

FAA has analyzed this final rule under the principles and criteria of Executive Order 13132, Federalism. We determined that this action will not have a substantial direct effect on the States, or the relationship between the

national Government and the States, or on the distribution of power and responsibilities among the various levels of government, and therefore does not have federalism implications.

#### Plain English

Executive Order 12866 (58 FR 51735, October 4, 1993) requires each agency to write regulations that are simple and easy to understand. We invite your comments on how to make these proposed regulations easier to understand, including answers to questions such as the following:

- Are the requirements in the proposed regulations clearly stated?
- Do the proposed regulations contain unnecessary technical language or jargon that interferes with their clarity?
- Would the regulations be easier to understand if they were divided into more (but shorter) sections?
- Is the description in the preamble helpful in understanding the proposed regulations?

Please send your comments to the address in the ADDRESSES section.

#### Environmental Analysis

FAA Order 1050.1D defines FAA actions that may be categorically excluded from preparation of a National Environmental Policy Act (NEPA) environmental impact statement. In accordance with FAA Order 1050.1D, appendix 4, paragraph 4(j), this rulemaking action qualifies for a categorical exclusion.

#### Energy Impact

FAA has assessed the energy impact of the final rule in accordance with the Energy Policy and Conservation Act (EPCA) Public Law 94-163, as amended (42 U.S.C. 6362) and FAA Order 1053.1. We have determined the final rule is not a major regulatory action under the EPCA.

#### List of Subjects in 14 CFR Part 47

Aircraft; Reporting and recordkeeping requirements.

#### The Amendment

In consideration of the foregoing, the Federal Aviation Administration amends part 47 of Chapter I of Title 14, Code of Federal Regulations as follows:

#### PART 47—AIRCRAFT REGISTRATION

1. The authority citation for part 47 continues to read as follows:

**Authority:** 49 U.S.C. 106(g), 40113–40114, 44101–44108, 44110–44111, 44703–44704, 44713, 45302, 46104, 46301; 4 U.S.T. 1830.

2. Amend § 47.37(b)(2) to read as follows: