

product for which acceptability has been determined.

Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)) requires that the FAA consider the impact of paperwork and other information collection burdens imposed on the public. We have determined there are no new information collection requirements associated with this proposed rule.

The FAA has considered whether proposed § 3.5(d) would create a burden within the meaning of the Paperwork Reduction Act. That section would require that if a person made certain representations regarding type certificated products, or parts and materials to be used on type certificated products, the person would have to have records to support those representations (except for statements made under part 43, as explained above). It is FAA's experience that the industry in the normal course of its activities transfers the records called for under the proposed rule. For instance, when air carriers buy parts, the usual and customary practice is for the air carrier to require the dealer to provide the records that substantiate the source and quality of the part. The major practical effect of the proposal would be to provide for FAA enforcement action if those records proved to be intentionally false, fraudulent, or misleading within the meaning of the rule.

Accordingly, the FAA has determined that the resources necessary to comply with the proposal are excluded from the "burden" under 5 CFR 1320.3(b)(2), and there are no information collection requirements associated with this proposed rule within the meaning of the Paperwork Reduction Act.

The FAA requests comments on this determination. Individuals and organizations may submit comments by August 4, 2003, and should direct them to the address listed in the **ADDRESSES** section of this document.

International Compatibility

In keeping with U.S. obligations under the Convention on International Civil Aviation, it is FAA policy to comply with International Civil Aviation Organization (ICAO) Standards and Recommended Practices to the maximum extent practicable. The FAA has reviewed the corresponding ICAO Standards and Recommended Practices and has identified no differences with these proposed regulations.

Regulations Affecting Intrastate Aviation in Alaska

Section 1205 of the FAA Reauthorization Act of 1996 (110 Stat. 3213) requires the Administrator, when changing regulations in Title 14 of the CFR in a manner affecting intrastate aviation in Alaska, to consider the extent to which Alaska is not served by transportation modes other than aviation, and to establish such regulatory distinctions as he or she considers appropriate. Because this proposed rule would apply to all persons who may make or cause to be made records regarding products, parts, or material for use on type certificated products, it could if adopted, affect intrastate aviation in Alaska. The FAA, therefore, specifically, requests comments on whether there is justification for applying the proposed rule differently in intrastate operations in Alaska.

Executive Order 12866 and DOT Regulatory Policies and Procedures

Proposed changes to Federal regulations must undergo several economic analyses. First, Executive Order 12866 directs that each Federal agency propose or adopt a regulation only on a determination that the benefits of the intended regulation justify its costs. Second, the Regulatory Flexibility Act of 1980 requires agencies to analyze the economic impact of regulatory changes on small entities. Third, the Trade Agreements Act (19 U.S.C. 2531–2533) prohibits agencies from setting standards that create unnecessary obstacles to the foreign commerce of the United States. In developing U.S. standards, this Trade Act also requires agencies to consider international standards and, where appropriate, use them as the basis of U.S. standards. Fourth, the Unfunded Mandates Reform Act of 1995 (Public Law 104–4) requires agencies to prepare a written assessment of the costs, benefits and other effects of proposed or final rules that include a Federal mandate likely to result in the expenditure by State, local, or tribal governments, in the aggregate, or by the private sector, of \$100 million or more annually (adjusted for inflation).

In conducting these analyses, the FAA has determined that the economic impact of this proposed rule does not meet the standards for a "significant regulatory action" under section 3(f) of Executive Order 12866 and under the regulatory policies and procedures of the Department of Transportation. The FAA has determined, however, that because of the public interest in the

subject of aircraft parts, this proposed rule is considered significant and, therefore, is subject to review by the Office of Management and Budget. This rule will not have a significant impact on a substantial number of small entities; will not constitute a barrier to international trade; and does not impose an unfunded mandate on state, local, or tribal governments, or on the private sector. These analyses, available in the docket, are summarized below.

Costs

The FAA estimates that the total cost expected to accrue from implementation of the proposed rule to be \$176,700 annually in 2000 dollars or \$1,241,000 over the next 10 years when costs are discounted at 7 percent. The FAA expects to incur all of the above costs. Costs to industry cannot be quantified with any degree of accuracy, but are expected to be small.

The FAA is seeking cost and benefits data to better quantify the impact of the proposed rule on potentially affected entities. To that extent, the FAA seeks information on the costs and benefits that manufacturers and operators would incur to comply with the proposed rule. Such cost estimates should include equipment costs, modification costs, etc. Documentation such as sources for the cost data should also be provided. Similarly, benefits estimates should include estimates of cost savings, etc. Again, documentation of these estimates should be included.

Benefits

The potential benefits of the proposed rule are enhanced safety to the aviation community and flying public by ensuring that aircraft owners and operators and persons who maintain aircraft have factual information on which to determine whether a part may be used in a given civil aircraft.

Enhanced safety would be achieved because this rulemaking (1) would fill in gaps in the legal and regulatory structure, to extend the prohibition on fraudulent or intentionally false statements beyond those now covered by Title 14, Code of Federal Regulations (14 CFR) parts 21 and 43; (2) would provide FAA enforcement action for some fraudulent and intentionally false statements; and (3) would provide for investigation of representations made regarding the quality of aircraft parts.

For example, unapproved parts manufacturers might be less likely to fraudulently state the parts as coming from the prime manufacturer, and ship them with look-alike packaging and paperwork. Thus, the frequency of a part being a look-alike and unsuitable