

A carrier may offset fees refunded to passengers during the suspension period against future amounts of September 11th Security Fees due to TSA in June 2003 and following months under 49 CFR part 1510.

Resumption of Imposition of the September 11th Security Fee. TSA will resume imposition of the September 11th Security Fee beginning at 12 a.m. on October 1, 2003, without any further notice. Therefore, direct and foreign air carriers must resume collecting and paying to TSA the September 11th Security Fee on tickets purchased by passengers beginning on 12 a.m., Eastern Daylight Time, on October 1, 2003, in accordance with the requirements of 49 CFR part 1510. If an air carrier does not collect the appropriate fee from a passenger, that should have been collected before the suspension period, the air carrier is still responsible for paying the fee to TSA.

In the case of public charter flights, because public charter operators will not collect September 11th Security Fees from passengers who purchase tickets during the suspension period, there will be instances where the escrow payments that direct or foreign air carriers receive from public charter operators after September 30, 2003, will not include September 11th Security Fees for some or all of the tickets sold for a flight. If the public charter operator did not collect the fee due to the suspension, the direct or foreign air carrier will not incur any obligation to pay those fees to TSA, notwithstanding 49 CFR part 1510.

Reporting Requirements Continue During the Suspension Period. In accordance with 49 CFR 1510.17, each direct and foreign air carrier must continue to provide TSA with quarterly reports that provide an accounting of fees imposed, collected, refunded, and remitted to TSA. If a carrier collects no fees during the suspension period, the carrier must submit the required report showing zeros in the appropriate fields in the report. The Bureau of Transportation Statistics collects such data for TSA. The Bureau website address for reporting the data is <http://www.bts.gov/oai/tsa/>. For further information on these reporting requirements, air carriers may also contact Ms. Nancy Sharpe, Data Administrator, Bureau of Transportation Statistics, Office of Airline Information, K-14, 400 7th Street, SW., Room 4125, Washington, DC 20590, phone: 202-366-2261, fax: 202-366-3383.

Travel Involving More than One Carrier. For purposes of 49 CFR part 1510, a direct air carrier or foreign air carrier that provides or offers to provide

air transportation is considered to be the selling carrier. If a passenger's air transportation includes travel on two or more carriers, or if the passenger's air transportation is otherwise on an aircraft not operated by the selling carrier, the selling carrier is responsible for paying the September 11th Security Fee applicable to the air transportation.

Suspension of the ASIF

The Appropriations Act prohibits TSA from imposing the ASIF during the suspension period, June 1, 2003, to September 30, 2003. Therefore, notwithstanding 49 CFR 1511.5 (a) through (c) and 1511.7(b), air carriers and foreign air carriers engaged in air transportation will not incur any obligations to make payments to TSA for the months of the suspension period that otherwise would be required under 49 CFR 1511.7(b) to be paid in July, August, September, and October of 2003. Payment due under 49 CFR 1511.7(b) for May of 2003 remains due by June 30, 2003. Any other ASIF incurred prior to the suspension period, but not remitted to TSA, continues to be due to TSA during and after the suspension period.

TSA will resume imposition of the ASIF beginning October 1, 2003, without any further notice. Therefore, direct and foreign air carriers must resume making payments to TSA under 49 CFR part 1511, beginning with the payment due under 49 CFR 1511.7(b) no later than November 30, 2003.

Paperwork Reduction Act

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

Regulatory Impact Analyses

Changes to Federal regulations must undergo several economic analyses. First, Executive Order 12866, Regulatory Planning and Review (58 FR 51735, October 4, 1993), directs each Federal agency to propose or adopt a regulation only upon a reasoned determination that the benefits of the intended regulation justify its costs. Second, the Regulatory Flexibility Act of 1980 (5 U.S.C. 601-612) requires agencies to analyze the economic impact of regulatory changes on small entities. Third, the Office of Management and Budget directs agencies to assess the effect of regulatory changes on international trade. Fourth, the Unfunded Mandates Reform Act of 1995

(2 U.S.C. 1531-1538) 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.)

Executive Order 12866 Assessment

In conducting these analyses, TSA has determined that the economic impact of this rule does not meet the standards for a "significant regulatory action" under section 3(f) of Executive Order 12866 and does not require an assessment of potential costs and benefits under section 6(a)(3), of that Order. However, TSA has determined that because of the public interest in the subject of security fees, this rule is considered significant and, therefore, has been reviewed by the Office of Management and Budget. Although a regulatory analysis or evaluation does not accompany this rule, TSA recognizes the rule will impose no or de minimus costs on the aviation industry and the public other than those weighed by Congress in passing the Appropriations Act. Air carriers will benefit through not having to collect the security fees and the public will benefit by not having to pay the security fees. The September 11th Security Fee that passengers will not have to pay and air carriers will not have to collect and remit to TSA is estimated to be \$600 million. The Aviation Security Infrastructure Fee that air carriers will not incur, and therefore will not remit to TSA, is estimated to be \$100 million. This mandatory security fee suspension totaling \$700 million is imposed by the Appropriations Act and is not a direct impact of this rulemaking. This rule addresses implementation of the suspension of the fee as it relates to the initial fee imposition requirements provided in 49 CFR part 1510.

Regulatory Flexibility Act Assessment

The Regulatory Flexibility Act (RFA) of 1980 requires that agencies perform a review to determine whether a proposed or final rule will have a significant economic impact on a substantial number of small entities. If the determination is that it will, the agency must prepare a regulatory flexibility analysis as described in the RFA. For purposes of the RFA, small entities include small businesses, not-for-profit organizations, and small governmental jurisdictions. Individuals and States are not included in the definition of a small entity. When no notice of proposed rulemaking has first been published, no