

TABLE 1.—AVERAGE COST PER AIRPLANE TO INSTALL A REINFORCED DOOR BY TYPE OF AIRPLANE—Continued

Type of airplane	Door kit cost	Numbers of labor hours to install	Total labor costs	Number of days out-of-service	Lost net revenue per day	Total lost net revenue	Total costs to install
DC-8	42,000	72	5,760	2	20,500	41,000	88,760
DC-9	42,000	72	5,760	1.5	4,500	6,750	54,530
MD-10/11	45,000	96	7,680	2	24,500	49,000	101,680
A-300	50,000	192	15,360	4	20,500	82,000	147,360
A-300-600	50,000	192	15,360	4	20,500	82,000	147,360
A-310	50,000	192	15,360	4	20,500	82,000	147,360

Are There Any Other Costs That Would Be Associated With These Reinforced Doors?

Reinforced flightdeck security doors have electronic systems that would need to be periodically inspected, maintained, and possibly repaired. It would take 8 additional maintenance labor hours every year for these tasks, and the average annual materials costs are minimal. These increased maintenance costs would total 4.4 million between 2004 and 2013, which has a present value of 3.0 million.

Reinforced flightdeck security doors and associated doorway strengthening

materials would add weight to the airplane, which would increase fuel consumption. The FAA estimated that the installed door would add 120 pounds to a large cargo airplane, 90 pounds to a medium sized cargo airplane, and 75 pounds to a small cargo airplane. Each additional pound increases annual fuel consumption by 12.25 gallons for a large cargo airplane, 19.1 gallons for a medium sized cargo airplane, and 5.75 gallons for a small cargo airplane. Using a price of \$0.80 per gallon, the annual additional fuel cost would be \$700,000 in 2004, increasing to \$1.1 million in 2013.

These additional fuel costs would total \$9.5 million between 2004 and 2013, which has a present value of \$6.7 million.

What, Then, Are the Total Costs of Installing These Doors?

As shown in Table 2, the total costs of installing reinforced security flightdeck doors would be about \$80.450 million, which has a present value of about \$76.225 million. Of particular note is that the biggest expenditure of \$66.5 million would occur in 2003, the first year.

TABLE 2.—TOTAL AND PRESENT VALUES IN 2003 OF COSTS TO INSTALL REINFORCED SECURITY DOORS IN CARGO AIRPLANES THAT CURRENTLY HAVE FLIGHTDECK DOORS

[In millions of dollars]

Cost to retrofit doors	Increased maintenance cost (2004–2013)	Present value increased maintenance	Increased fuel costs (2004–2013)	Present value increased fuel cost	Total cost	Present value total cost
\$66.499	\$4.406	\$3.007	\$9.542	\$6.722	\$80.447	\$76.228

What Is the Net Economic Impact of This Rule?

If all air cargo operators affected by the final rule chose to develop a TSA-approved security program instead of installing reinforced flightdeck security doors, they would save about \$68.117 million between 2003 and 2013, which has a present value of \$67.011 million. More importantly, they would save \$64.704 million by April 9, 2003. It should be noted that to the extent that several air cargo operators have voluntarily developed these programs, the cost savings have been underestimated. Further, an individual operator has the option to install the reinforced flightdeck security door if it would be financially advantageous. Thus, the FAA determined that this rule provides substantial cost savings to affected air cargo operators.

Regulatory Flexibility Act

The Regulatory Flexibility Act of 1980 (RFA) establishes “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 businesses, 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 on 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 action provides equal regulatory relief to all air cargo carriers. Therefore, the FAA certifies that the rule will not have a significant economic impact on a substantial number of small entities.

Trade Impact Assessment

The Trade Agreement Act of 1979 prohibits Federal agencies from engaging in any standards or 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. The FAA assessed the potential effect of this rulemaking and determined that it provides equal