

flown and (2) they will be better able to explain to *passengers the conditions under which their pets are being carried*. People should know that their *pets* might be in a cargo hold that may not be air-conditioned or may differ from the passenger cabin in other respects. (Emphasis added)
Id., page 198.

In consideration of the above, Section 119.72(c)(2) shall read:

“Animal means any warm or cold blooded animal which, at the time of transportation, is being kept as a pet in a family household in the United States.”

Cost of Shipping Animals by Air and Availability of Shipping Options

The reporting requirement was established by Congress in Section 710, not by FAA through implementation of this rule; therefore, the cost of compliance with the reporting requirement is the result of the statute, not this rule. More importantly, though, because the rule will only require reports to be filed when an incident occurs, and only with respect to the transportation of pets, the economic impact of this rule should be minimal, and will neither raise the cost of shipping animals by air nor affect the availability of shipping options.

Paperwork Reduction Act

According to the regulations implementing the Paperwork Reduction Act of 1995, (5 CFR 1320.8(b)(2)(vi)), a person is not required to respond to a collection of information unless it displays a currently valid OMB control number. The OMB control number for this information collection will be published in the **Federal Register**, after the Office of Management and Budget approves it.

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 determined that there are no ICAO Standards and Recommended Practices that correspond to these regulations.

Executive Order 12866 and DOT Regulatory Policies and Procedures

Executive Order 12866, Regulatory Planning and Review, directs the FAA to assess both the costs and the benefits of a regulatory change. The FAA is not allowed to propose or adopt a regulation without making a reasoned determination that the benefits of the intended regulation justify its costs. FAA's assessment of this rulemaking

indicates that its economic impact is minimal. The reporting requirement was established by statute, not this rule; however, the cost of compliance will be minimal because the rule will require reports to be filed only after an incident occurs, and only with respect to the transportation of pets. Because the costs and benefits of this action do not make it a “significant regulatory action” as defined in the Order, FAA has not prepared a “regulatory impact analysis.” Similarly, FAA has not prepared a full “regulatory evaluation,” which is not required when the economic impact of a rule is minimal.

Economic Assessment, Regulatory Flexibility Determination, Trade Impact Assessment, and Unfunded Mandates Assessment

Proposed changes to Federal regulations must undergo several economic analyses. First, Executive Order 12866 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 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 (Pub. L. 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, FAA has determined this rule (1) has benefits that justify its costs, is not a “significant regulatory action” as defined in section 3(f) of Executive Order 12866 and is not “significant” as defined in DOT's Regulatory Policies and Procedures; (2) will not have a significant economic impact on a substantial number of small entities; (3) will not create barriers to international trade; and (4) does not impose an unfunded mandate on state, local, or tribal governments, or on the private sector.

Regulatory Flexibility Determination

The Regulatory Flexibility Act (RFA) of 1980, 5 U.S.C. 602–612, directs Federal agencies to fit regulatory requirements to the scale of the business, organizations, and governmental jurisdiction subject to the regulation. Federal agencies are required to determine whether a proposed or final action will have a “significant economic impact on a substantial number of small entities” as defined in the Act. If an agency finds that the action will have a significant impact, it must do a “regulatory flexibility analysis.”

This final action imposes an insignificant reporting requirement on air carriers; therefore, FAA certifies that this action 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 activity 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. In addition, consistent with the Administration's belief in the general superiority and desirability of free trade, it is the policy of the Administration to remove or diminish, to the extent feasible, barriers to international trade, including both barriers affecting the export of American goods and services to foreign countries and barriers affecting the import of foreign goods and services into the U.S.

In accordance with the above statute and policy, FAA has assessed the potential effect of this rulemaking and has determined that it will have only a domestic impact and therefore no effect on any trade-sensitive activity.

Unfunded Mandates Assessment

The Unfunded Mandates Reform Act of 1995 (the Act), enacted as Public Law 104–4 on March 22, 1995, 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 a \$100 million or more expenditure (adjusted annually for inflation in any one year by State, local, and tribal governments, in the aggregate,