

to comply with this requirement. These costs are captured in the analysis of § 91.1027.

Section 91.1059 Flight Time Limitations and Rest Requirements: One or Two Pilot Crews

A fractional aircraft ownership program entity operating under part 91, subpart K will incur limits on ultra-long range flights. The FAA has deleted the proposed planned expanded duty definition and the proposed limits for such duty in §§ 91.1059 and 91.1061 and instead is applying limits for augmented crews in § 91.1061 that are similar to those currently required in § 135.269 for unscheduled 3-or 4-pilot crews. The FAA estimates that this change will result in a cost of \$1,600 for each ultra-long range flight. Over the 15-year period from 2003 to 2017, fractional aircraft ownership program operations collectively will incur compliance costs of \$3.6 million.

Section 91.1061 Augmented Flight Crews

A fractional aircraft ownership program entity operating under part 91, subpart K will incur recordkeeping costs to comply with this requirement. These costs are captured in the analysis of § 91.1027.²

Section 91.1062 Flight Duty Periods and Rest Requirements: Flight Attendants

A fractional aircraft ownership program entity operating under part 91, subpart K will incur limits on the scheduled duty period they may assign a flight attendant who is defined in § 91.1057 as an individual whose duties include but are not necessarily limited to safety-related responsibilities. It includes individuals either required by the program manager's management specifications minimum crew complement or in addition to that minimum. The FAA assumes, for the purposes of this analysis, that fractional program managers will elect the team approach provided for in § 91.1062(b)(2) and therefore the duty limitation will principally affect only ultra-long range flights. Over the 15-year period from 2003 to 2017, fractional aircraft ownership program operations (operating under part 91, subpart K) collectively will incur compliance costs of \$500 per flight or a total of approximately \$1.1 million.

² Operating costs associated with augmenting flight crews, such as salaries, training, drug and alcohol misuse program, and other administrative program costs are captured under the specific requirements addressing these areas.

Sections 91.1063 through 91.1107 Various Training

A fractional aircraft ownership program entity operating under part 91, subpart K will incur compliance costs of \$209,000 in the first year of operation only. Over the 15-year period from 2003 to 2017, fractional aircraft ownership program operations collectively will incur compliance costs of \$2.5 million.

Section 91.1115 Minimum Equipment Lists and Letters of Authorization

A fractional aircraft ownership program entity operating under part 91, subpart K will incur costs of \$5,225 in the first year of operation only to comply with this requirement. Negligible compliance costs will be incurred in subsequent years of operation and are estimated as to be zero. Over the 15-year period from 2003 to 2017, fractional aircraft ownership program operations collectively will incur compliance costs of \$63,000.

Federal Aviation Administration Costs

The current FAA workforce will be sufficient to perform the monitoring and surveillance activities associated with administering the requirements of the rule. However, it will be necessary for the FAA to develop a training course and associated instructional materials to educate its inspectors and supervisors in their responsibilities to administer the rule. Familiarization training by either satellite broadcast or video will be made available to all inspectors while inspectors assigned to fractional program operators will undergo a two-day training program. Accordingly, the FAA estimates that it will incur \$730,000 in the first year to train its workforce appropriately, and will incur \$20,000 in each subsequent year for initial training of newly assigned inspectors. Additionally, the FAA will incur \$683,000 in the first year only to prepare and implement management specifications for the requirements contained in the rule.

The FAA also estimates that it will incur annual costs of \$95,000. This cost is based on the time of existing FAA staff spent reviewing and processing program information and clerical support to issue written approvals and authorizations submitted to the FAA as identified in this document. Over the 15-year period from 2003 to 2017, the FAA will incur costs of approximately \$3.1 million to administer the requirement of the rule.

Benefits

Most fractional aircraft ownership program operations today are conducted in accordance with industry best

practices that exceed part 91 requirements. The FAA believes that the standards of subpart K are necessary to assure the continued safety of operations for a fairly new and rapidly growing segment of aviation by placing regulatory limits on operations that qualify as "fractional aircraft ownership program", and by clearly delineating the safety responsibilities of fractional owners and fractional ownership program managers.

Other Impacts of the Proposed Rule

Cost savings may be realized by fractional aircraft ownership program entities and "eligible on-demand" air charter operations as a result of the final rule. Eligible on-demand air charter will incur costs if they are to realize the cost savings. The impacts are summarized below.

Sections 61.57 Exceptions, and 135.247 Pilot Qualifications: Recent Experience

A fractional aircraft ownership program entity operating under either part 91, subpart K or part 135 and eligible on-demand part 135 entities will realize annual cost savings of \$3,135 per pilot as a result of complying with the requirement. Over the 15-year period from 2003 to 2017, fractional aircraft ownership program operations collectively will realize cost savings of approximately \$219.6 million. Eligible on-demand part 135 operators will realize cost savings of approximately \$452 million.

Sections 91.509 Survival Equipment for Over-water Operations, and 135.167 Emergency Equipment: Extended Over-water Operations

A fractional aircraft ownership program entity operating under either part 91, subpart K or part 135 has the potential to realize cost savings of approximately \$3,660 per trip. The amount saved depends on the ability of the entity to secure a deviation from this requirement. Similar per trip savings would be available to eligible on-demand part 135 operators.

Section 135.4 Eligible On-demand Operations

An "eligible on-demand" entity operates turbine powered airplanes that are type certificated for more than one pilot, have higher experienced pilots and have a crew pairing program. The estimated cost of these provisions over the 15-year period from 2003 to 2017 is approximately \$82 million.