

Section 135.145 Aircraft Proving Tests

A fractional aircraft ownership program entity operating under part 135 will realize cost savings of \$36,600 per proving test complying with this requirement. Over the 15-year period from 2003 to 2017, fractional aircraft ownership program operations (under part 135) collectively will realize cost savings of approximately \$13.7 million. Eligible on-demand part 135 operators will realize cost savings of approximately \$92 million over the 15-year period.

Section 135.225 IFR: Takeoff, Approach, and Landing

A fractional aircraft ownership program entity operating under part 135 will realize \$36,600 annually in cost savings as a result of this requirement. Over the 15-year period from 2003 to 2017, fractional aircraft ownership program operations (operating under part 135) collectively will realize approximately \$1.6 million in cost savings. Collectively, eligible on-demand part 135 operators will realize

cost savings of approximately \$34 million over the 15-year period.

Sections 135.251 and 135.255 Testing for Prohibited Drugs and Alcohol

A fractional aircraft ownership program entity operating under part 135 will realize \$1,700 in cost savings and incur costs of \$50 per occurrence as a result of this requirement. Over the 15-year period from 2003 to 2017, fractional aircraft ownership program operations (operating under part 135) collectively will realize approximately \$2.6 million in cost savings and incur costs of approximately \$50,000. Eligible on-demand part 135 operators will realize \$1,385 in cost savings and incur costs of \$50 per occurrence as a result of this requirement. Over the 15-year period these operators collectively will realize approximately \$17 million in cost savings and incur costs of approximately \$622,500.

Summary of Costs, Cost Savings, and Benefits

The total costs of the proposed rule are approximately \$133.2 million (\$85.8

million, discounted). Fractional aircraft ownership program entities will incur approximately \$47.4 million (\$35.2 million, discounted) of these costs to comply with the requirements contained in the rule; while part 135 eligible on-demand entities will incur \$82.7 million (\$48.3 million, discounted) in compliance costs. The FAA will incur total costs of approximately \$3.1 million (\$2.3 million, discounted) to administer the rule. Fractional aircraft ownership program entities will realize approximately \$237.4 million in cost savings (entities operating under part 91, subpart K will realize \$132.4 million (\$75.6 million, discounted); entities operating under part 135 will realize \$105 million (\$62.5 million, discounted)) while eligible on-demand part 135 operators will realize approximately \$596 million (\$370.3 million, discounted) in cost savings. The public is expected to benefit from enhanced aviation safety directly attributable to the proposed rule. These costs, cost savings, and benefits are summarized in Table S-1.

TABLE S-1. SUMMARY OF COSTS, COST SAVINGS, AND BENEFITS
[In 2001 dollars]

Category	Undiscounted	Discounted ^a
Fractional Aircraft Ownership Program		
Operations Compliance Costs for Entities Operating Under:		
Part 91, Subpart K:	\$47,283,800	\$35,123,400
Part 135:	75,000	45,500
Total	47,358,800	35,168,900
Eligible On-demand part 135 Operators	82,689,400	48,326,800
FAA Administrative Costs	3,118,000	2,349,300
Total Costs	133,166,200	85,845,000
Potential Costs Savings to Fractional Aircraft Ownership Program Entities Operating Under:		
Part 91, Subpart K:	132,416,400	75,600,700
Part 135:	104,964,800	62,459,700
Total	237,381,200	138,060,400
Eligible On-demand part 135 Operators	595,909,700	370,307,000
Total Cost Savings	833,290,900	508,367,400
Safety Benefits	Enhanced Safety	Enhanced Safety

^a Discounted at 7 percent over a 15-year period from 2003 to 2017.

Final Regulatory Flexibility Determination

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 applicable statutes, to fit regulatory and informational requirements to the scale of the business, organizations, and governmental jurisdictions subject to regulation." To achieve that principle,

the Act requires agencies to solicit and consider flexible regulatory proposals and to explain the rationale for their actions. The Act 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 determination is that it

will, the agency must prepare a regulatory flexibility analysis as described in the Act.

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 1980 act provides that the head of the agency may so certify and a regulatory flexibility analysis is not required. The certification must include a statement