(4) Replacement of an engine part is found necessary during the tests, or due to the teardown inspection findings.

(c) Upon completion of all demonstrations and testing specified in these special conditions, the engine and its components must be—

(1) Within serviceable limits;

(2) Safe for continued operation; and

(3) Capable of operating at declared ratings while remaining within limits.

(33) Engine Electrical Systems

(a) *Applicability.* Any system or device that provides, uses, conditions, or distributes electrical power, and is part of the engine type design, must provide for the continued airworthiness of the engine, and must maintain electric engine ratings.

(b) *Electrical systems.* The electrical system must ensure the safe generation and transmission of power, and electrical load shedding if required, and that the engine does not experience any unacceptable operating characteristics or exceed its operating limits.

(c) *Electrical power distribution.*

(1) The engine electrical power distribution system must be designed to provide the safe transfer of electrical energy throughout the powerplant. The system must be designed to provide electrical power so that the loss, malfunction, or interruption of the electrical power source will not result in a hazardous engine effect, as defined in special condition no. 17(d)(2) of these special conditions.

(2) The system must be designed and maintained to withstand normal and abnormal conditions during all ground and flight operations.

(3) The system must provide mechanical or automatic means of isolating a faulted electrical energy generation or storage device from leading to hazardous engine effects, as defined in special condition no. 17(d)(2) of these special conditions, or detrimental effects in the intended aircraft application.

(d) *Protection systems.* The engine electrical system must be designed such that the loss, malfunction, interruption of the electrical power source, or power conditions that exceed design limits, will not result in a hazardous engine effect, as defined in special condition no. 17(d)(2) of these special conditions.

(e) *Electrical power characteristics.* The applicant must identify, declare, document, and provide to the installer as part of the requirements in § 33.5, the characteristics of any electrical power supplied from—

(1) the aircraft to the engine electrical system, for starting and operating the engine, including transient and steady-state voltage limits, and

(2) the engine to the aircraft via energy regeneration, and any other characteristics necessary for safe operation of the engine.

(f) *Environmental limits.* Environmental limits that cannot adequately be substantiated by endurance demonstration, validated analysis, or a combination thereof must be demonstrated by the system and component tests in special condition no. 27 of these special conditions.

(g) *Electrical system failures.* The engine electrical system must—

(1) Have a maximum rate of loss of power control (LOPC) that is suitable for the intended aircraft application;

(2) When in the full-up configuration, be single-fault tolerant, as determined by the Administrator, for electrical, electrically detectable, and electronic failures involving LOPC events;

(3) Not have any single failure that results in hazardous engine effects; and

(4) Ensure failures or malfunctions that lead to local events in the intended aircraft application do not result in hazardous engine effects, as defined in special condition no. 17(d)(2) of these special conditions, due to electrical system failures or malfunctions.

(h) *System safety assessment.* The applicant must perform a system safety assessment. This assessment must identify faults or failures that affect normal operation, together with the predicted frequency of occurrence of these faults or failures. The intended aircraft application must be taken into account to assure the assessment of the engine system safety is valid. The rates of hazardous and major faults must be declared, documented, and provided to the installer as part of the requirements in § 33.5.

Issued in Kansas City, Missouri, on December 10, 2024.

Patrick R. Mullen,

Manager, Technical Policy Branch, Policy and Standards Division, Aircraft Certification Service.

[FR Doc. 2024–29490 Filed 12–16–24; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 129

[Docket No.: FAA–2024–0176; Amdt. No. 129–55]

RIN 2120–AL93

Foreign Air Operator Certificates Issued by a Regional Safety Oversight Organization

AGENCY: Federal Aviation Administration (FAA), Department of Transportation (DOT).

ACTION: Final rule.

SUMMARY: This amendment will allow the FAA to review and, if acceptable to the Administrator, recognize as valid air operator certificates issued by a Regional Safety Oversight Organization to foreign air carriers when the State of the Operator is a member of that Regional Safety Oversight Organization, for purposes of evaluating foreign applicants for operating specifications.

DATES: Effective January 16, 2025.

ADDRESSES: For information on where to obtain copies of rulemaking documents and other information related to this final rule, see ''Additional Information'' in the **SUPPLEMENTARY INFORMATION** section of this document.

FOR FURTHER INFORMATION CONTACT: Tim Shaver, International Program Division/ International Operations Branch, Federal Aviation Administration, 800 Independence Avenue SW, Washington, DC, 20591; telephone (202) 267–1704; email *tim.shaver@faa.gov*.

SUPPLEMENTARY INFORMATION:

I. Authority for This Rulemaking

The FAA's authority to issue rules on aviation safety is found in title 49 of the United States Code. Subtitle I, section 106, describes the authority of the FAA Administrator. Subtitle VII, Aviation Programs, describes in more detail the scope of the FAA's authority.

This rulemaking is issued under the authority described in subtitle VII, part A, subpart III, section 44701(a)(5). Under that section, the FAA is charged with promoting safe flight of civil aircraft in air commerce by prescribing regulations and minimum standards for practices, methods, and procedures the Administrator finds necessary to ensure safety in air commerce. This regulation is within the scope of that authority. Amending the regulations for applications for operations specifications under part 129 submitted by foreign air carriers or foreign persons, and the related standards for denial of

such an application for operations specifications authorizations, improves the FAA's ability to manage these authorizations. These operations specifications are issued to foreign air carriers operating within the United States and to foreign air carriers or foreign persons conducting operations of U.S.-registered aircraft solely outside the United States.

II. Executive Summary

A. Purpose of the Regulatory Action

Prior to this action, FAA regulations required that foreign applicants for operations specifications must hold a valid air operator certificate (AOC) issued by the State of the Operator. See 14 CFR 129.7(c)(5). Requiring the operator to hold an AOC issued by the State of the Operator is consistent with the standard in Annex 6, Volume 1 to the Convention on International Civil Aviation, which directs that an operator shall not engage in commercial transport operations unless in possession of a valid AOC issued by the State of the Operator.[1]

Some International Civil Aviation Organization (ICAO) Contracting States have joined together to form Regional Safety Oversight Organizations (RSOO). These organizations may provide a uniform regulatory structure for safety oversight and provide technical assistance and the execution of safety oversight functions for their member States. RSOOs have been established in many parts of the world. These organizations may be formed based on a variety of differing arrangements among member States. The institutional structures of these organizations range from highly formalized intergovernmental organizations established on the basis of formal legal agreements to less formalized organizations established under the ICAO Cooperative Development of Operational Safety and Continuing Airworthiness Program.[2]

As stated in ICAO guidance, ''under the Chicago Convention, only the State has responsibility for safety oversight, and this responsibility may not be transferred.'' [3] The guidance further states that, although the State may delegate specific safety oversight tasks and functions to an RSOO, such as inspections for the certification of an operator, the State must still retain the minimum capability required to carry out its responsibilities under the Chicago Convention. States must always be able to properly and effectively monitor the safety oversight functions delegated to the RSOO.[4]

States participating in RSOOs may delegate or transfer various functions or tasks to these organizations as stipulated in the RSOO's formation documentation. As provided in ICAO guidance, one of the functions member States may delegate or transfer to a highly formalized and more fully resourced RSOO is the issuance of AOCs for the State of the Operator.[5]

In those instances where an AOC is issued by an RSOO rather than the member State, this regulation change now allows the FAA to review supporting documentation for applications for foreign air carrier operation specifications and, if acceptable to the Administrator, recognize as valid (*i.e.,* ensure that it conforms to ICAO standards) AOCs issued by an RSOO to foreign air carriers if the State of the Operator is a member State of that RSOO.

B. Changes Made in This Final Rule

This rule amends the regulations for applications by foreign air carriers and foreign persons for operations specifications under 14 CFR part 129 and amends regulations for the denial of applications for operations specifications. This rule amends three sections in subpart A of part 129: § 129.1, Applicability and definitions; § 129.7, Application, issuance, or denial of operations specifications; and § 129.9, Contents of operations specifications. Based on the comments received in response to the notice of proposed rulemaking, the FAA has revised the rule language to clarify the requirements and remove any ambiguity regarding the intent of the amendments. See section III.C. of this preamble.

III. Background

A. Summary of the NPRM

On May 22, 2024, the FAA published the notice of proposed rulemaking (NPRM) titled ''Foreign Air Operator Certificates issued by a Regional Safety Oversight Organization'' (89 FR 44935). The FAA also posted draft guidance material for the proposal, ''FAA Order 8900.1, Volume 12, Chapter 2, Section 2,'' for comment in the NPRM docket. The NPRM proposed to amend the regulations for applications by foreign air carriers and foreign persons for operations specifications under 14 CFR part 129 and the regulations for the denial of applications for operations specifications.

B. General Overview of Comments

The FAA received four comments.[6] The agency received comments from one individual and three associations representing industry and labor constituencies. One of the associations supported the rule. Two of the associations opposed the rule, as discussed more fully in section IV. The FAA received comments on the proposal that addressed: support for the rule change; International Aviation Safety Assessments (IASA) for RSOOs; the number of IASAs needed; legal basis concerns; validation of Safety Management Systems (SMS) in IASAs for RSOO member States; and safety concerns.

In addition, on September 17, 2024, after the comment period closed, representatives of the Department of Transportation, Department of State, Department of Commerce, and Federal Aviation Administration met with representatives from Directorate-General Mobility and Transport (DG MOVE), European Aviation Safety Agency (EASA), and European Union (EU) Member States for a special meeting of the Joint Committee established by the U.S.—EU Air Transport Agreement. During the meeting, DG MOVE raised concerns with this rulemaking effort. A summary of the meeting has been posted to the docket for this rulemaking.

C. Differences Between the NPRM and the Final Rule

In the NPRM, the FAA proposed to establish new definitions in 14 CFR 129.1 for ''Regional Safety Oversight Organization'' and ''State of the Operator.'' As discussed more fully later in the preamble, the final rule revises the RSOO definition to clarify the relationship between a member State and an RSOO and the transfer of responsibilities between the entities to fully address the Air Line Pilots Association's (ALPA's) comment, which expressed concerns about a ''legal fiction.'' The FAA is finalizing the

[1] Annex 6, Volume 1, 4.2.1.1.

[2] Information for ICAO Cooperative Development of Operational Safety and Continuing Airworthiness Program (COSCAP) is contained in the ICAO Safety Oversight Manual, Part B, The Establishment and Management of a Regional Safety Oversight Organization, Doc. 9734, 2011.

[3] *Safety Oversight Manual, Part B, The Establishment and Management of a Regional Safety Oversight Organization,* Doc. 9734, 2011.

[4] Id. at 2.1.8.

[5] See id. at 4.1.10, which indicates that issuance of certificates may be delegated but states that ''the day-to-day surveillance of service providers remains the responsibility of the civil aviation authority (CAA) of member States.'' In addition, see Sections IV.D, IV.F., and V.C. for discussion of the FAA's intent to file a difference as the standard under the Chicago Convention directs issuance of an AOC by the State of the Operator.

[6] One comment concerning Boeing employment practices was outside the scope of this rulemaking.

definition of ''State of the Operator'' as proposed.

As proposed in the NPRM, the FAA is amending § 129.7 to accommodate the recognition as valid by the FAA of AOCs issued by an RSOO on behalf of the State of the Operator. Based on the comments received, the FAA is revising § 129.7(c)(5) in the final rule to eliminate the term ''on behalf of'' to clarify the relationship between, and responsibilities of, the State of the Operator and an RSOO. This final rule also clarifies the FAA will accept an AOC only ''*if* acceptable to the Administrator,'' whereas the NPRM limited this to the RSOO-issued AOCs and used the phrase ''*as* acceptable to the Administrator'' (emphasis added). The final rule adds ''if acceptable to the Administrator'' to § 129.7(c)(5) and adds paragraphs (c)(5)(i) and (ii) to stipulate the FAA may accept an AOC issued by (i) the State of the Operator, or (ii) an RSOO if the State of the Operator is a member State of that RSOO.

In the NPRM, the FAA proposed an additional amendment to § 129.7(d) to align the conditions for the FAA's denial of an application for operations specifications with the conditions for eligibility for issuance of operations specifications. This amendment is adopted as proposed.

The FAA also proposed to amend § 129.9(a)(3) to reflect the possible acceptance and recognition as valid by the FAA of AOCs issued by an RSOO on behalf of the State of the Operator. The final rule simplifies the regulatory text in § 129.9(a)(3) and (b)(3) by removing the specification that an AOC may be issued by the State of the Operator or an RSOO. The FAA determined that the regulatory text in § 129.7(c)(5) establishes the basis for the FAA to accept a valid AOC, if acceptable to the Administrator, issued by (i) the State of the Operator; or (ii) an RSOO if the State of the Operator is a member State of that RSOO. Repeating this language in § 129.9 is unnecessary and redundant.

D. Related Actions

Section 369 of the FAA Reauthorization Act of 2024 amended chapter 447 of title 49 U.S.C. by adding section 44747, titled ''Aviation safety oversight measures carried out by foreign countries.'' [7] This amendment codified the FAA's IASA program. The IASA program is the means by which the FAA determines whether another country's oversight of its air carriers that (1) operate, or seek to operate, services to/from the United States using their own aircraft and crews, or (2) seek to display the code of a U.S. air carrier on any services, complies with safety standards established by ICAO. The published IASA results of a country's placement in Category 1 or Category 2 is the notification to the U.S. traveling public as to whether a foreign air carrier's State civil aviation authority (CAA) meets ICAO safety standards. A Category 1 rating indicates that the CAA meets ICAO safety standards for these operations, and a Category 2 rating indicates that the CAA does not meet ICAO safety standards.

On August 16, 2024, the FAA published a notice in the **Federal Register** (89 FR 66546) announcing the agency's suspension of policy changes to the IASA program that had been announced in a September 28, 2022,[8] Policy Statement, and a second notice in the **Federal Register** on the same day inviting public comments on proposed changes to the FAA IASA program policy (89 FR 66645). The comment period for the proposed policy closed on September 16, 2024, and the FAA is currently considering the comments received.

IV. Discussion of Comments and the Final Rule

A. Support for the Rule Change

The National Business Aviation Association (NBAA) expressed support for the FAA's proposed changes to part 129 that would recognize AOCs issued by an RSOO. NBAA cited as an example the EASA, which has developed competency across a growing range of aviation capabilities, and with the further growth of mutual recognition of capabilities between FAA and EASA, the acceptance of certificates issued by EASA will greatly enhance process efficiency and approval consistency for European commercial operators seeking to access the United States. NBAA also stated that RSOOs meeting the requirements set forth in the proposed changes will benefit from this recognition along with commercial operators.

NBAA stated that as regulators seek to improve safety oversight efficiency and reduce process redundancies for operators and government agencies, efforts like this rulemaking will allow governments and industry to more efficiently deploy safety resources to operate in a global environment.

Allied Pilots Association (APA), while not supporting the rulemaking, acknowledged in its comment that it recognizes the vital importance of collaboration and cooperation when it comes to global aviation safety. As a result, APA indicated it understands the value that RSOOs can provide in promoting aviation safety oversight and stated APA's position on the proposed rule change should not be viewed as a criticism of RSOOs in general or the desire for ICAO member States to collaborate in the name of aviation safety.

The FAA acknowledges the support of the rulemaking expressed by NBAA and the overall support of RSOOs and their contribution to safety oversight expressed by APA.

B. International Aviation Safety Assessments (IASA) for RSOOs

ALPA commented the FAA must conduct a detailed inquiry of the level of participation of a State's CAA in the activities of the RSOO and all associated safety activities but stated the NPRM is unclear on whether the FAA would conduct an IASA of the RSOO itself.

ALPA stated it is unclear whether any RSOO is currently equipped with the correct process, procedure, personnel, and financial stability to serve in the role as a permanent regulatory oversight agency ''on behalf of'' the State of the Operator. ALPA believed the FAA should ensure that the regional oversight entity has sufficient ''boots on the ground'' (auditors and line inspectors with the right skillsets and training, funded by adequate resources, and backed by management with the requisite will to ensure compliance) to be fit for the purpose of satisfying each of those States' treaty obligations.

ALPA contended the FAA could determine all eleven of the ICAO-recognized RSOOs to be IASA Category 1, by default, which would generate unacceptable safety risks.

ALPA asserted the FAA must first complete an IASA for each RSOO before approving or renewing any new AOC from an RSOO. Then, once a specific AOC application is received by the FAA that invokes an RSOO/State AOC arrangement, ALPA believed the FAA should conduct a separate IASA review of the RSOO/State plan for AOC oversight of the air carriers applying to operate under part 129.

Although APA did not specifically suggest the FAA conduct IASAs on RSOOs, APA stated that due to the varying levels of formality in structure among the currently existing RSOOs, each AOC issued by an RSOO would have to be reviewed and analyzed for validity and appropriateness before being recognized by the Administrator. APA asserted this would require the Administrator to review and understand the approval and issuance process of

[7] Public Law 118–63 (May 16, 2024).

[8] 87 FR 58725.

each RSOO to be able to determine if the applicant's operator certificate should be recognized as valid. As a result, APA believed the proposal makes the application review process more cumbersome and complex.

The FAA generally disagrees with the concern expressed by APA about this rule change, adding complexity and additional burden to the FAA's IASA program. However, the FAA agrees with APA that each AOC issued by an RSOO must be reviewed for validity before being recognized by the Administrator.

The responsibility for ensuring compliance with international standards established under the Chicago Convention falls to the member States as parties to the Convention. As such, the FAA IASA program assesses the CAA for the State of the Operator. Specifically, the IASA program assesses and determines the State of the Operator's compliance with the standards in ICAO Annex 1 (Personnel Licensing), Annex 6—Part 1 and Part 3 (Operation of Aircraft), and Annex 8 (Airworthiness of Aircraft). The FAA reviews the CAA's compliance by assessing ICAO's eight critical elements of effective aviation safety oversight in the ICAO Document 9734, Safety Oversight Manual. Those eight critical elements include:

1. Primary aviation legislation
2. Specific operating regulations
3. State civil aviation system and safety oversight functions
4. Technical personnel qualification and training
5. Technical guidance, tools, and the provision of safety-critical information
6. Licensing, certification, authorization, and approval obligations
7. Surveillance obligations
8. Resolution of safety concerns

When a CAA, as a member of an RSOO, transfers a task or function to the RSOO, the FAA expects the transfer to be documented in an agreement, treaty, or informal written record of the parties' understanding that is available for review by the Administrator.[9] This includes filings with ICAO outlining the arrangement between the RSOO and its member States.

While the State of the Operator may transfer responsibility for certain tasks and functions to an RSOO, it cannot transfer its responsibility under the Chicago Convention. The FAA will continue to assess the State of the Operator as the responsible party for compliance with the ICAO standards. This assessment will ensure the State maintains the responsibility for the issuance and continued oversight of the AOC by the RSOO. When the State transfers the function of issuance of an AOC to an RSOO, the transfer documentation established by the State and the RSOO will be used by the FAA to determine which organization has responsibility for each task and function associated with issuance of an AOC. The FAA will use existing IASA procedures to assess the State to ensure the correct process, procedure, personnel, and financial stability necessary to accomplish transferred tasks or functions meet ICAO standards. The FAA does not believe the nuance of determining if the transferred task or functions is accomplished by the RSOO or retained by the State of the Operator adds a significant level of complexity to the process.

As such, the FAA does not anticipate an IASA on an RSOO will be required to determine whether the CAA complies with the ICAO standards. For AOCs issued by the RSOO, however, the FAA will review the formation documentation for each RSOO and each RSOO-issued AOC for validity and consistency with ICAO standards. In the case of AOC issuance, the specific requirements that must be validated are only a small subset of ICAO standards. In most cases, the FAA expects that RSOO-issued AOCs will have been issued for States that have been assessed by the FAA, already resulting in an IASA Category 1 rating. Therefore, with the transfer of functions and duties to an RSOO, the FAA would conduct a more focused evaluation of the specific requirements associated with AOC issuance for the country in question. As a party to the Chicago Convention, the State remains the accountable organization to be assessed by the FAA under an IASA, and the RSOO is expected to participate in the IASA assessment as an observer for transferred functions.

For all RSOO member States that have not had an IASA conducted by the FAA previously, an assessment of compliance with the ICAO standards for issuance of an AOC (including any functions or tasks transferred to an RSOO) will be done as part of the initial IASA for that State. An initial IASA of the State of the Operator must be completed before the FAA may accept an RSOO-issued AOC for that State. The RSOO may observe and support the State during the IASA to provide information about the RSOO's roles and responsibilities for the tasks and functions as transferred by the State.

C. Increased Number of IASAs

ALPA stated that the FAA has incorrectly assumed that it will not need to increase the number of IASA assessments. ALPA contended the FAA will need to assess each RSOO at issue, which has never been assessed before. ALPA stated the FAA will need to conduct specific reviews of the national CAAs to which an RSOO may delegate certain functions. ALPA was concerned that if more assessments are needed, the FAA ''will simply subtract one'' from its average number of five IASAs typically completed per year. ALPA contended that doing fewer assessments, not more, does not represent an equivalent level of safety and that a foreign entity's desire for an assessment must not overwhelm the FAA's obligation to determine what is in the U.S. public interest.

The FAA understands ALPA's concern but does not expect the number of IASA assessments to increase in the near term, given the FAA is aware of only one RSOO issuing AOCs for member States, to date. The FAA also does not expect a decrease in the number of IASAs conducted on average, historically.

As indicated previously, the FAA will continue to conduct IASAs for States that seek to initiate service to the United States, or for those States that have been identified as requiring a reassessment based on risk factors, whether the operator's AOC is issued by the State of the Operator or an RSOO. During an initial IASA evaluation of the State, the transferred functions will be assessed by the FAA to determine compliance with ICAO standards.

If a State previously assessed by the FAA as IASA Category 1 subsequently transfers the function of AOC issuance to an RSOO, the FAA's regulatory process for AOC validation includes ensuring the ICAO standards and eight critical elements for those standards are still being met for that specific function without conducting a full IASA. If the FAA's evaluation of the transferred function cannot establish ICAO compliance using the established validation process, the AOC will not be accepted by the FAA. The FAA does not anticipate conducting a complete IASA reassessment solely based on transfer of the function of issuance of an AOC to an RSOO. The lack of confirmation of compliance with ICAO AOC standards due to the transfer of the function to an RSOO would, however, be included as a risk consideration when the FAA is reviewing a State for IASA reassessment.

[9] See ICAO Doc. 9734, Part B, 3.3.4, which states ''[w]hat is the most important consideration here is that the legal status of the RSOO, the scope of its functions and the extent of delegated legal authority are clearly determined and stipulated in the agreement document.''

The FAA uses a risk analysis process to identify IASA Category 1 countries for reassessment. The risk analysis is performed at least annually and whenever new safety information is obtained on each country on the IASA Category Rating list to determine countries of highest risk to the U.S. National Airspace System (NAS) and the U.S. traveling public. The risk analysis was developed by FAA experts and is comprised of individual risk elements and grouped into the following five major IASA risk categories:

(1) Department of Transportation Economic Authority—New or existing U.S. DOT economic authority; own-metal U.S. service under part 129; new or current codeshare involving display of U.S. air carrier code on foreign operator flights; and any U.S. DOT administrative emphasis items and initiatives.

(2) Governance and Safety Culture—Areas of interest include: contracting of safety oversight functions; carrier wet lease to airlines of other countries; safety items identified by the CAA remain unresolved or not addressed; complaints received by FAA from other CAAs, operators, manufacturers, and the traveling public.

(3) IASA Information—Time passed since the last IASA, and other factors that indicate the Category 1 rating may no longer be valid.

(4) ICAO Requirements—Risk concerns include: negative ICAO Universal Safety Oversight Audit Program (USOAP) findings indicating noncompliance with one or more of the eight critical elements of safety oversight; ICAO reports indicating noncompliance with Standards and Recommended Practices (SARPs); inaction with respect to ICAO action plans; ICAO USOAP information over two years old thus limiting its value.

(5) FAA Information—FAA has safety concerns about the oversight provided by the CAA, which include the areas of: FAA and foreign ramp inspections; safety-related complaints about carrier(s) from other CAAs; active technical assistance activities; compliance issues are present in FAA certificated or approved entities in the country; Congressional inquiries; and existing bilateral agreement implementation procedures.

The risk associated with the FAA's inability to validate ICAO compliance due to a transfer of tasks or functions would be included in the ICAO requirements category of risks.

The FAA mitigates identified State safety oversight risks by placing all carriers from that State, authorized to operate to the United States, under heightened surveillance until the IASA reassessment is completed.[10] In extreme cases where safety or oversight risks cannot be mitigated, the FAA has regulatory authority to remove the authorization from any or all carriers authorized to operate from that State.[11]

D. Legal Basis Concerns

ALPA and APA expressed concerns about the legal basis and compliance with ICAO standards associated with the proposed rulemaking. ALPA stated the proposal seems contradictory. ALPA commented that on one hand, the FAA's proposal seeks to overcome the Chicago Convention's clear instruction by stating that the regional oversight entity would be acting ''on behalf of'' a State and thus would purportedly comply with the treaty. ALPA contended that as a result, the proposal would hold the State to account, even though the State would designate the regional entity as the responsible authority. ALPA stated, on the other hand, the proposal recognizes the regional entity would be responsible, and U.S. recognition of operating licenses would be at odds with U.S. obligations under the treaty, such that a ''difference'' would have to be filed by the United States with ICAO.

ALPA asserted the FAA's regulatory language ''on behalf of,'' as in ''on behalf of the State of the Operator,'' introduces ambiguity because the entity doing the acting (on behalf of) is the one with actual responsibility. ALPA commented that this ''legal fiction is to be a workaround from what ICAO admits being the role of the RSOO . . .''

ALPA commented that the Chicago Convention recognizes the value in a clear line of responsibility from a national government authority to an air carrier and that only States are deemed the valid issuers of such a license, in accordance with ICAO Guidance on RSOOs.[12] ALPA had significant concerns about how an RSOO's relationship with the State of the Operator will work in practice, including a concern that an RSOO often delegates responsibilities for AOC oversight back to the State of the Operator. ALPA urged the FAA to deem the RSOO, not the State of the Operator, to be ''ultimately responsible for the IASA'' assessment.

For an existing IASA Category 1 State, the FAA's assessment has already established the State complies with ICAO standards for the issuance of an AOC. The FAA Order 8900.1, volume 12, chapter 2, section 2 procedure for the evaluation of AOC issuance and subsequent transfer of the tasks and functions then focuses on ensuring all the required tasks and functions for AOC oversight are addressed, and the responsibility for each of those tasks or functions is clearly defined. The FAA procedure also ensures that there is evidence in the transfer documentation that covers the roles and responsibilities necessary for the continued compliance of the AOC holder with the ICAO AOC standards during the life cycle of the AOC. If the FAA cannot determine compliance, the AOC will not be accepted by the FAA until compliance with the required ICAO standards can be confirmed by the FAA.

To the extent that ALPA suggests that, to act in compliance with the Chicago Convention, an AOC may only be issued by the State of the Operator, the FAA disagrees. The Chicago Convention does not speak directly to the issuance of AOCs. Rather, there is a standard in Annex 6, Volume 1 that prohibits an operator from engaging in commercial air transport operations unless the operator possesses a valid AOC issued by the State of the Operator. While a member State must comply with its obligations under the Chicago Convention, Article 38 allows a State to file a difference with ICAO to acknowledge differences between the State's own practices and those standards established in the Annexes to the Convention. Consistent with the obligation to provide notice of a difference, the FAA will file a difference to 4.2.1.1 of Annex 6, Volume 1, acknowledging the FAA's acceptance of RSOO-issued AOCs when the Administrator determines they are acceptable (*i.e.,* issued in conformance with ICAO standards for AOCs).

To the extent the commenters suggest the characterization that an RSOO issues AOCs ''on behalf of'' a member state is in conflict with the FAA's determination that a difference must be filed, the FAA finds that the two concepts are not irreconcilable. However, the FAA has determined that certain clarifying changes, identified in

[10] The FAA notes that, in addition to the heightened surveillance, the FAA proposed changes to the IASA program in the **Federal Register** (89 FR 66645, August 16, 2024). In that NPRM, the FAA proposed to establish a Category 1* rating to be applied when the FAA has determined through the FAA risk assessment process that a Category 1 country should be reassessed based on identified risks of possible noncompliance. The comment period closed on September 16, 2024, and the FAA is considering the public comments and developing a final policy notice.

[11] See 14 CFR 129.11(b) and (g).

[12] See ICAO Doc. 9734, Part B, 7.5.12, which states that ''where a harmonized regulatory framework prevails in a region, the civil aviation authorities of member States will remain the sole authority for the issuance of licences and operator certificates, approval of aircraft maintenance organizations, approval of design and production organizations, and approval of training centres.''

the following discussion, should be made to the regulatory text in this final rule.

ICAO acknowledges in its guidance that existing RSOOs have taken a variety of forms, ranging from a relatively loose association of CAAs that have agreed to cooperate in the development and implementation of requirements and procedures, to an intergovernmental organization with regulatory and, to some extent, enforcement authority. According to ICAO, the form that an RSOO takes will primarily be determined by the needs of its members, the level of available resources, the scope of activities, the level of authority delegated by member States, and, in certain cases, the legislative framework already established by the group or community of States creating the RSOO.[13]

Given the varying frameworks that RSOOs may take, the FAA agrees that it is critical for States to maintain and demonstrate clear lines of responsibility [14] in order for the FAA to properly assess the acceptability of an AOC issued by an RSOO in place of the State of the Operator. The final rule enables FAA review of the RSOO and State of the Operator formation documentation to ensure the transferred tasks and functions associated with the issuance and continued surveillance of the AOC holder are clearly defined and that the ICAO standards for assessing the AOC applicant have been met. See definition of RSOO in § 129.1 of the final rule. This final rule further ensures the FAA review of all ICAO Standards related to AOC issuance that are assessed during an IASA.

The transferred function affected by this rulemaking, which the FAA has determined would necessitate filing a difference from ICAO standards, is limited to the transfer of responsibility for issuing the AOC from a member State to an RSOO. However, the FAA recognizes there could be significant variability between the responsibilities of RSOOs and which AOC issuance functions are transferred to them by member States. When a CAA transfers functions related to AOC issuance or the conduct of oversight-related tasks in conjunction with AOC issuance to an RSOO, the State of the Operator is still responsible for ensuring that the transferred functions continue to comply with ICAO standards. Therefore, the FAA disagrees with ALPA's assertion the FAA should hold the RSOO ultimately responsible for the IASA.

Nevertheless, the FAA agrees with ALPA that the language ''on behalf of'' included in the NPRM introduces unnecessary ambiguity and an apparent, though unintended, conflict with the FAA's position that a difference must be filed with ICAO as a result of this rulemaking.

Therefore, the FAA revised the text of the final rule in § 129.7 to remove this qualifier. This final rule also clarifies the FAA will only accept an AOC issued by the State of the Operator or an RSOO ''*if* acceptable to the Administrator'' (emphasis added). In addition, the FAA is making corresponding changes to the definition of RSOO in § 129.1 to reflect that authority may either be formally delegated between the member States and the RSOO or tasks and functions may be less formally transferred or assigned. The changes to §§ 129.1 and 129.7 are otherwise adopted as proposed.

As for the concerns about transfer of tasks and functions related to the issuance of an AOC from the State of the Operator to the RSOO and subsequent transfer of oversight-related tasks or functions pertaining to AOC issuance back to the State of the Operator, the FAA agrees these roles and responsibilities must be clearly defined, documented, and understood. The final rule ensures the FAA must review the documented transfer of all tasks and functions related to the issuance of an AOC from the State of the Operator to the RSOO.

Consistent with the FAA's proposal for accepting an AOC from an RSOO, the RSOO must meet the FAA's definition of RSOO in 14 CFR 129.1, which, as updated for this final rule, is an association or organization that comprises a group of member States, which—(i) Has provided notification to ICAO of the scope of tasks and functions delegated or transferred to the RSOO, including but not limited to: sharing common or harmonized aviation regulations, licensing, certification, authorization, approval, and surveillance of civil aviation activities, and any legal authority delegated or transferred by a member State to the RSOO; and (ii) Has stipulated the specific tasks, functions, delegations, and transfers by member States discussed in paragraph (c)(2)(i) of § 129.1, and any other collective understandings of member States in RSOO formation documentation, such as an agreement, treaty, or informal record, that is available for review by the Administrator.

The FAA will verify that each task or function required by ICAO Annex 6 standards is included in the transfer and formation documentation and the organizational responsibility for each is clearly defined. Consistent with the definition of RSOO, the RSOO formation documentation should outline not only the roles and responsibilities for tasks and functions necessary for the issuance of the AOC but also for the tasks and functions for continued oversight of the AOC during its full life cycle, for the FAA to fully evaluate an RSOO-issued AOC. The FAA acknowledges that there may be a transfer of tasks and functions back to the State of the Operator. This is not an unusual practice and could be a result of the RSOO leveraging the member State's availability of trained and qualified personnel needed for the evaluation of the carrier for initial certification.

The FAA uses a similar practice for certification of United States part 121 air carriers. The part 121 certification process is a cooperative effort between the Certification and Evaluation Program Office (CEPO) of the Safety Analysis and Promotion Division and the Office of Air Carrier Safety Assurance (ACSA). The CEPO is a dedicated group of aviation safety inspectors (ASIs) with experience in the details and nuances of initial Air Carrier certification. The CEPO assigns an assistant manager as the Certification Front Line Manager (CFLM) and a qualified CEPO team leader as the certification project manager (CPM). The CEPO initiates the certification and directs the project through all phases of the certification process. The ACSA assigns the certificate management office (CMO) and establishes a Certificate Management Team (CMT) to perform Continued Operational Safety (COS) oversight after certification. The Certification Project Team (CPT) will include ASIs from the CEPO and the ACSA. These dedicated inspectors then turn the continued surveillance of the operator to the CMO to perform the oversight functions for the carrier. This is done to ensure standardization of air carrier certification.

Transfer of tasks or functions from the State of the Operator to an RSOO may provide a similar benefit of targeting resources with detailed experience in the initial certification of air carrier, working in concert with those

[13] ICAO Doc. 9734, Part B, 2.2.6.

[14] See ICAO Doc. 9734, Part B 2.1.8, which states ''Under the Chicago Convention, only the State has responsibility for safety oversight, and this responsibility may not be transferred to a regional body. Thus, although the State may delegate specific safety oversight tasks and functions to an RSOO, such as inspections for the certification of an operator, the State must still retain the minimum capability required to carry out its responsibilities under the Chicago Convention. States must always be able to properly and effectively monitor the safety oversight functions delegated to the RSOO.''

responsible for continued oversight of the air carrier.

E. Validation of SMS in IASAs for RSOO Member States

ALPA recommended the FAA take the opportunity to expand its own IASA program by ensuring the novel regional safety organization requires its licensees to fully comply with SMS, a critical element that ICAO has implemented to address a root cause of accidents and incidents. ALPA asserted the FAA has the discretionary power, as well as an obligation to flight crews, the traveling public, and the international community, to evaluate RSOO member State implementation of SMS. Moreover, ALPA noted one such RSOO, EASA, appears headed toward conducting such SMS audits, which ALPA stated is a welcome development.

The FAA's current IASA program includes evaluation of a State's aviation oversight program for compliance with ICAO Annex 1, Annex 6, and Annex 8. Neither the current IASA Notice of Policy Statement [15] nor section 369 of the FAA Reauthorization Act of 2024 codifying the IASA program in 49 U.S.C. 44747 include Annex 19 Safety Management requirements for this program. The inclusion of these requirements was not contemplated in the NPRM and is therefore beyond the scope of this rulemaking.

F. Safety Concerns

ALPA contended the proposed rule would create significant safety concerns that were not addressed in the NPRM. Specifically, ALPA contended an RSOO that has aircraft certification oversight, and oversees AOCs, could determine that when using certain aircraft certified by the RSOO, airline flights could be conducted with only a single pilot on the flight deck while the second pilot is resting or otherwise unavailable to serve as the second pilot. ALPA commented that the RSOO's certification and AOC approval combined would potentially allow a significant safety threat to occur in airspace managed by the United States, unraveling many of the advances in airline safety that have been achieved in the United States. ALPA urged the FAA to be extremely vigilant and consider unintended safety consequences of allowing RSOOs to simultaneously operate as an aircraft certification organization and AOC oversight organization.

APA stated that delegating the authority to determine whether a carrier or person has satisfied those standards to a regional organization, which may have competing political or industrial influences, allows for the possibility the standards will be unintentionally deteriorated or altered. To eliminate the possibility for such deterioration or alteration, the FAA should not amend the current regulations to allow the acceptance of an RSOO-issued operator certificate in lieu of one issued directly by the State of the Operator.

Finally, APA contended even where a member State has elected to delegate the authority to issue operator certificates to an RSOO, the member State must still retain the ability to issue operator certificates on its own. Accordingly, maintaining the regulatory status quo would not adversely impact a foreign applicant's ability to obtain operating specifications from the FAA because they remain able to obtain an operator certificate issued by the State of the Operator.

The FAA understands this concern but disagrees with the premise that the role of an RSOO in the issuance of an AOC alone, as promulgated in this rulemaking, could introduce risks such as foreign air carrier single pilot operations in the United States. The cited concern would not be the result of this rulemaking allowing the FAA to accept an RSOO-issued AOC. This could similarly be an issue for AOCs issued by the State of the Operator should that State apply a risk-based approach allowing one pilot to fly while the other rests. In either case, foreign air carriers approved for operations into the United States must still comply with all applicable FAA rules and regulations, including the conditions and limitations set forth in their operations specifications. The FAA notes that, to date, no part 121 or 129 air carriers have been authorized by the FAA to operate with a single pilot at the controls.

While not directly subject of this rulemaking, the FAA will consider the risk of single pilot operations identified by ALPA for all foreign AOC applicants and adjust our policy as required to ensure these risks are properly mitigated or prohibited during our evaluation of the proposed operation to ensure the operator is properly and adequately equipped to conduct the operations described in the operations specifications.

The FAA notes ICAO Annex 6, Part 1, paragraph 9.1.1 addresses composition of flight crews. It states:

> The number and composition of the flight crew shall not be less than that specified in the operations manual. The flight crews shall include flight crew members in addition to the minimum numbers specified in the flight manual or other documents associated with the certificate of airworthiness, when necessitated by considerations related to the type of aeroplane used, the type of operation involved and the duration of flight between points where flight crews are changed.

The number of crew required not only drives the type certification requirements listed in the operations manual but also the type of operation. This standard allows the FAA to ensure the risks of any operation have been identified, assessed, and properly mitigated.

The FAA agrees the State of the Operator is responsible for establishing requirements for issuing AOCs that are compliant with the ICAO standards. The FAA's IASA program validates the State's compliance with these ICAO standards. When the tasks or functions related to AOC issuance or oversight activities pertaining to AOC issuance are transferred to an RSOO, the State of the Operator is still responsible for ensuring the transferred functions continue to comply with ICAO standards even if the State of the Operator did not issue the AOC. This remains true whether States transfer all or part of the AOC issuance tasks or functions for a specific carrier or retain the ability to issue other AOCs in their State.

The FAA also agrees that vigilance is needed when issuing part 129 operation specifications. As such, there are additional regulatory requirements, and a valid AOC is only one part of the requirements for issuing a foreign operator a part 129 authorization. Section 129.7(c) lists all the requirements for issuance of operations specifications for authorization to conduct service to the United States.

Introduction of risks when authorizing part 129 operations is addressed through the evaluation of the carrier to ensure they are properly and adequately equipped to conduct the operations described in the operations specifications and are in compliance with the requirements of part 129. Also, 14 CFR 129.5(b) states ''Each foreign air carrier conducting operations within the United States must conduct its operations in accordance with the Standards contained in Annex 1 (Personnel Licensing), Annex 6 (Operation of Aircraft), Part I (International Commercial Air Transport—Aeroplanes) or Part III (International Operations—Helicopters), as appropriate, and in Annex 8 (Airworthiness of Aircraft) to the Convention on International Civil Aviation.''

These steps ensure all foreign commercial operations are properly

[15] *International Aviation Safety Assessment (IASA) Program Change,* Policy Statement (78 FR 14912, March 8, 2013).

assessed, and any associated risks are appropriately mitigated. This is true not only for carriers issued AOCs by RSOO but all carriers requesting authorization to operate to the United States.

The FAA intends to file a difference with ICAO because the acceptance of RSOO-issued AOCs reflects a departure from the international standard in ICAO Annex 6, paragraph 4.2.1.1 to the extent the means of compliance in this final rule is different from the corresponding standard in Annex 6. However, the FAA's assessment of the formation documentation between the member State and RSOO to validate the ICAO standards for issuing an AOC have been met will ensure an equivalent level of safety.

G. Miscellaneous Amendments

As previously noted, the FAA proposed to amend § 129.9(a)(3) to reflect the possible acceptance and recognition as valid by the FAA of AOCs issued by an RSOO on behalf of the State of the Operator. In this final rule, the FAA has revised the regulatory text proposed for 14 CFR 129.9(a)(3) and (b)(3) by removing the reference that an AOC may be issued by the State of the Operator or an RSOO. This language is unnecessary in this context since the application requirements in 14 CFR 129.7(c)(5) specify the issuing entities from which the FAA may accept AOCs. Removal of this duplicative language is a technical amendment and not a substantive change.

H. Effective Date

The FAA determined to apply a 30-day effective date to this final rule. Therefore, this final rule will take effect 30 days after publication in the **Federal Register**. The FAA generally applies a longer effective date to final rules to allow time for the impacted regulated community to prepare to come into compliance with the requirements of a final rule. However, this final rule is considered to be enabling to the extent the FAA is expanding the options for AOC acceptance by the FAA for purposes of applications for part 129 operations specifications. The FAA expects the effective date of this final rule to benefit the impacted community of operators seeking to apply for part 129 operations specifications based on an RSOO-issued AOC by allowing for the earlier submission of an application. The FAA notes that no such applications are currently considered pending before the FAA. Once this final rule takes effect, operators may submit an application to the FAA consistent with revised 14 CFR 129.7, and the FAA will be prepared to begin the review process. During this process, the FAA will ascertain if sufficient information has been provided to validate continued compliance with the required ICAO standards or if an IASA of the State will be required before the AOC can be considered acceptable to the Administrator. The FAA further notes that consistent with § 129.7(a)(2), the application must be submitted to the FAA at least 90 days before the intended date of operation.

V. Regulatory Notices and Analyses

Federal agencies consider the impacts of regulatory actions under a variety of executive orders and other requirements. First, Executive Orders 12866, 13563, and 14094 direct that each Federal agency shall propose or adopt a regulation only upon a reasoned determination that the benefits of the intended regulation justify the costs. Second, the Regulatory Flexibility Act of 1980 (Pub. L. 96–354) requires agencies to analyze the economic impact of regulatory changes on small entities. Third, the Trade Agreements Act (Pub. L. 96–39) prohibits agencies from setting standards that create unnecessary obstacles to the foreign commerce of the United States. 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 that may result in the expenditure by State, local, and Tribal governments, in the aggregate, or by the private sector, of $100 million or more (adjusted annually for inflation) in any one year. The current threshold after adjustment for inflation is $183,000,000 using the most current (2023) Implicit Price Deflator for the Gross Domestic Product.

In conducting these analyses, the FAA has determined that this rule: will result in benefits that justify costs; is not significant under section 3(f)(1) of Executive Order 12866, as amended; will not have a significant economic impact on a substantial number of small entities; will not create unnecessary obstacles to the foreign commerce of the United States; and will not impose an unfunded mandate on State, local, or Tribal governments, or on the private sector.

A. Regulatory Impact Analysis

This rule will allow for the FAA's acceptance of AOCs issued by RSOOs, and it will update the regulatory basis for denial of applications for operations specifications. There are no changes to the analysis of this final rule as it was presented in the proposed rule.

Update the Process for Accepting AOCs Issued by RSOOs

Prior to this action, a foreign air carrier applying for operations within the United States or applying to operate U.S.-registered aircraft solely outside of the United States must hold a valid AOC issued by the State of the Operator. The existing regulations do not provide for acceptance of an AOC issued by any other entity other than the State of the Operator. This final rule will allow the FAA to recognize AOCs issued by an RSOO if the State of the Operator is a member State of that RSOO. This allows foreign air carriers with a valid AOC issued by an RSOO, if acceptable to the Administrator, to be issued authorization to operate to and from the United States, providing travel services to citizens of the United States and the foreign countries, economic opportunities for U.S. airlines through code share agreements with these operators, and expanded route structures for these code share partners. This final rule is consistent with ICAO resolutions and guidance, which address the development and use of RSOOs.

Under current practice for operations within the United States, before acceptance of the AOC, the FAA conducts an IASA of the State of the Operator.[16] These assessments involve pre-work and document review in the United States lasting several weeks, followed by an on-site assessment in the State of the Operator lasting five business days. When the State of the Operator is a member of an RSOO, and that State has delegated functions or tasks to the RSOO, this prework would include a review of functions or tasks that are delegated by the State to an RSOO, the scope and level of those delegations, and the need for RSOO participation in assessing the State's compliance with the ICAO standards. The assessments involve two to four inspectors and an attorney. An FAA IASA team incurs traveling costs, such as airfare, lodging, and per diem associated with the travel destination. However, these assessments, including the prework, are not expected to represent an additional cost of the rule because the FAA currently conducts them, and the FAA does not expect any increase in the number of assessments as a result of this rulemaking. Currently, when accomplishing an IASA on a State that has delegated functions or tasks to an RSOO, the FAA reviews that delegation to ensure that the State's and the RSOO's functions and tasks are in

[16] 87 FR 58725 (September 28, 2022).

compliance with the ICAO requirements. Historically, the FAA has conducted, on average, five IASAs each year. As stated previously, there are many factors that determine the number of IASAs that will be accomplished in any given year. These include application for own metal service to the United States by a carrier from a State that has not been assessed where a risk assessment has identified concerns over the State's safety oversight functions which warrant a reassessment. Any risks identified in the course of the FAA's review of an RSOO-issued AOC for acceptance will be included as one factor in the risk assessment for the respective member State.

If the FAA has previously assessed a State of the Operator and that State subsequently delegated functions or tasks, such as issuance of AOCs by the RSOO, the FAA will review the RSOO formation documentation to determine if further assessment to evaluate the continued compliance with ICAO standards is required. If the FAA determines it needs to do further assessment, the State of the Operator's compliance with ICAO standards for issuance of AOCs will be reviewed as part of the annual risk assessment for all IASA-categorized States. Based on the result of the risk assessment, an IASA of that State may be accomplished as one of that year's or future year's IASAs. The FAA does not anticipate requiring an IASA reassessment based solely on the inability to determine compliance with ICAO standards for the transferred function of AOC issuance and the conduct of oversight-related tasks pertaining to AOC issuance between an RSOO and member States. The FAA has many means to reach out to the RSOO and the member State to obtain information concerning questions on compliance. This can involve sending letters for clarification and direct discussions to clarify issues. However, until the State's ICAO compliance can be validated, the RSOO-issued AOC of the operator will not be considered acceptable, and no authorization will be granted.

Update the Regulatory Basis for Denial of Applications for Operations Specifications

The FAA is also amending the conditions under which the FAA can deny the application for operations specifications in subpart A of part 129. Prior to this action, § 129.7(c) specifies that an applicant must meet five conditions to be issued operations specifications. These conditions require that the applicant meets the applicable requirements of part 129; holds the economic or exemption authority required by the Department of Transportation, applicable to the operations to be conducted; complies with the applicable security requirements of 49 CFR chapter XII; is properly and adequately equipped to conduct the operations described in the operations specifications; and holds a valid AOC issued by the State of the Operator. However, § 129.7(d) states that the application may be denied if the applicant is not properly and adequately equipped to conduct the operations described in the operations specifications. The change will expand the basis for denial to any of the five conditions listed in § 129.7(c). The updates to the regulatory basis for denial of applications for operations specifications will not result in any costs. The change will align the basis for denial of an application to the conditions that must be met for issuance of operations specifications. This will allow the FAA to formally deny applications that do not meet the requirements of § 129.7(c) instead of the FAA's current practice of holding the approval of ineligible applications in abeyance until the conditions are met or the applicant withdraws the application. There are no specific costs associated with holding an application in abeyance. The benefit of allowing denial of an application based on not meeting the regulatory criteria is reduction of applications in process and ensuring currency of information provided with an application.

B. Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA) of 1980, Public Law 96–354, 94 Stat. 1164 (5 U.S.C. 601–612), as amended by the Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104–121, 110 Stat. 857, Mar. 29, 1996) and the Small Business Jobs Act of 2010 (Pub. L. 111–240, 124 Stat. 2504, Sept. 27, 2010), requires Federal agencies to consider the effects of the regulatory action on small business and other small entities and to minimize any significant economic impact. The term ''small entities'' comprises small businesses, not-for-profit organizations that are independently owned and operated and are not dominant in their fields, and governmental jurisdictions with populations of less than 50,000.

This final rule will update the regulations for applications by foreign air carriers and foreign persons for operations specifications under part 129. The final rule will apply to foreign air carrier operations within the United States and to U.S.-registered aircraft in common carriage solely outside the United States. Since this final rule only impacts foreign applicants, this rule has no impact on U.S. small entities. If an agency determines that a rulemaking will not result in a significant economic impact on a substantial number of small entities, the head of the agency may so certify under section 605(b) of the RFA. Therefore, as provided in section 605(b) and based on the foregoing, the head of FAA certifies that this rulemaking will not result in a significant economic impact on a substantial number of small entities.

C. International Trade Impact Assessment

The Trade Agreements Act of 1979 (Pub. L. 96–39), as amended by the Uruguay Round Agreements Act (Pub. L. 103–465), prohibits Federal agencies from establishing standards or engaging in related activities that create unnecessary obstacles to the foreign commerce of the United States. Pursuant to these Acts, the establishment of standards is not considered an unnecessary obstacle to the foreign commerce of the United States, so long as the standard has a legitimate domestic objective, such as the protection of safety, and does not operate in a manner that excludes imports that meet this objective. The statute also requires consideration of international standards and, where appropriate, that they be the basis for U.S. standards.

The FAA has assessed the potential effect of this final rule and determined that it ensures the safety of the American public by allowing the acceptance of AOCs issued by an RSOO when reviewed and found acceptable to the Administrator. While this action will result in the United States' filing a difference with ICAO regarding compliance with ICAO Annex 6, paragraph 4.2.1.1, this rule change results in an equivalent action to the standard and is in the public's interest. As a result, the FAA does not consider this rule as creating an unnecessary obstacle to foreign commerce.

D. Unfunded Mandates Assessment

The Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531–1538) governs the issuance of Federal regulations that require unfunded mandates. An unfunded mandate is a regulation that requires a State, local, or Tribal government or the private sector to incur direct costs without the Federal Government having first provided the funds to pay those costs. The FAA determined that the final rule will not result in the expenditure of $183,000,000 or more by State, local, or

Tribal governments, in the aggregate, or the private sector, in any one year.

E. Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)) requires that the FAA consider the impact of paperwork and other information collection burdens imposed on the public. According to the 1995 amendments to the Paperwork Reduction Act (5 CFR 1320.8(b)(2)(vi)), an agency may not collect or sponsor the collection of information, nor may it impose an information collection requirement unless it displays a currently valid Office of Management and Budget (OMB) control number.

The FAA has determined that there is no new information collection associated with the requirement for application for foreign air carrier authorization under 14 CFR part 129. In order to apply for operation specifications, the applicant is required to provide a copy of their AOC to the FAA. Under the final rule, the FAA intends to rely on cooperation of RSOOs to obtain the necessary formation documentation referred to in the § 129.1 definition of RSOO. No new information is required from the applicant operator if the AOC is issued by an RSOO. The burden of validation of the AOC remains with the FAA in conjunction with the State of the Operator. Approval to collect such information previously was approved by OMB under the provisions of the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)) and was assigned OMB Control Number 2120–0749.

F. International Compatibility

In keeping with U.S. obligations under the Convention on International Civil Aviation, it is FAA policy to conform to ICAO Standards and Recommended Practices to the maximum extent practicable.

The FAA has reviewed the corresponding ICAO Standards and Recommended Practices and has identified the following differences with this final rule. ICAO Annex 6, Part 1, Paragraph 4.2.1.1 requires:

> The operator shall not engage in commercial air transport operations unless in possession of a valid AOC issued by the State of the Operator.

This regulatory change to allow the FAA acceptance of RSOO-issued AOCs for a member State does not comply with this standard.

The FAA has determined this regulatory change results in a different means of compliance to that of the standard in ICAO Annex 6, Part 1, paragraph 4.2.1.1. The FAA intends to notify ICAO of this difference.

G. Environmental Analysis

FAA Order 1050.1F identifies FAA actions that are categorically excluded from preparation of an environmental assessment or environmental impact statement under the National Environmental Policy Act (NEPA) in the absence of extraordinary circumstances. The FAA has determined this rulemaking action qualifies for the categorical exclusion identified in paragraph 5–6.6f for regulations and involves no extraordinary circumstances.

VI. Executive Order Determinations

A. Executive Order 13132, Federalism

The FAA has analyzed this final rule under the principles and criteria of Executive Order 13132, Federalism. The FAA has determined that this action will not have a substantial direct effect on the States, or the relationship between the Federal Government and the States, or on the distribution of power and responsibilities among the various levels of government, and, therefore, will not have federalism implications.

B. Executive Order 13175, Consultation and Coordination With Indian Tribal Governments

Consistent with Executive Order 13175, Consultation and Coordination with Indian Tribal Governments,[17] and FAA Order 1210.20, American Indian and Alaska Native Tribal Consultation Policy and Procedures,[18] the FAA ensures that Federally Recognized Tribes (Tribes) are given the opportunity to provide meaningful and timely input regarding proposed Federal actions that have the potential to have substantial direct effects on one or more Indian Tribes, on the relationship between the Federal Government and Indian Tribes, or on the distribution of power and responsibilities between the Federal Government and Indian Tribes; or to affect uniquely or significantly their respective Tribes. At this point, the FAA has not identified any unique or significant effects, environmental or otherwise, on Tribes resulting from this final rule.

[17] 65 FR 67249 (November 6, 2000).

[18] FAA Order No. 1210.20 (Jan. 28, 2004), available at *www.faa.gov/documentLibrary/media/1210.pdf.*

C. Executive Order 13211, Regulations That Significantly Affect Energy Supply, Distribution, or Use

The FAA analyzed this final rule under Executive Order 13211, Actions Concerning Regulations that Significantly Affect Energy Supply, Distribution, or Use (May 18, 2001). The FAA has determined that it is not a ''significant energy action'' under the Executive order and is not likely to have a significant adverse effect on the supply, distribution, or use of energy.

D. Executive Order 13609, Promoting International Regulatory Cooperation

Executive Order 13609, Promoting International Regulatory Cooperation, promotes international regulatory cooperation to meet shared challenges involving health, safety, labor, security, environmental, and other issues and reduce, eliminate, or prevent unnecessary differences in regulatory requirements. The FAA has analyzed this action under the policy and agency responsibilities of Executive Order 13609. The FAA has determined that this action will eliminate differences between U.S. aviation standards and those of other civil aviation authorities in States where delegation or transfer of the responsibility for issuance of AOCs to an RSOO is permitted.

VII. Additional Information

A. Electronic Access and Filing

A copy of the NPRM, all comments received, this final rule, and all background material may be viewed online at *www.regulations.gov* using the docket number listed above. Electronic retrieval help and guidelines are available on the website. It is available 24 hours each day, 365 days each year. An electronic copy of this document may also be downloaded from the Office of the Federal Register's website at *www.federalregister.gov* and the Government Publishing Office's website at *www.govinfo.gov*. A copy may also be found on the FAA's Regulations and Policies website at *www.faa.gov/regulations_policies*.

Copies may also be obtained by sending a request to the Federal Aviation Administration, Office of Rulemaking, ARM–1, 800 Independence Avenue SW, Washington, DC 20591, or by calling (202) 267–9677. Commenters must identify the docket or notice number of this rulemaking.

All documents the FAA considered in developing this final rule, including economic analyses and technical reports, may be accessed in the electronic docket for this rulemaking.

B. Small Business Regulatory Enforcement Fairness Act

The Small Business Regulatory Enforcement Fairness Act (SBREFA) of 1996 requires the FAA to comply with small entity requests for information or advice about compliance with statutes and regulations within its jurisdiction. A small entity with questions regarding this document may contact its local FAA official or the person listed under the **FOR FURTHER INFORMATION CONTACT** heading at the beginning of the preamble. To find out more about SBREFA on the internet, visit *www.faa.gov/regulations_policies/rulemaking/sbre_act/*.

List of Subjects in 14 CFR Part 129

Administrative practice and procedure, Air carriers, Aircraft, Aviation safety, Reporting and recordkeeping requirements, Security measures, Smoking.

The Amendments

For the reasons discussed in the preamble, the Federal Aviation Administration amends 14 CFR part 129 as follows:

PART 129—OPERATIONS: FOREIGN AIR CARRIERS AND FOREIGN OPERATORS OF U.S.-REGISTERED AIRCRAFT ENGAGED IN COMMON CARRIAGE

■ 1. The authority citation for part 129 continues to read as follows:

Authority: 49 U.S.C. 1372, 40113, 40119, 44101, 44701–44702, 44705, 44709–44711, 44713, 44716–44717, 44722, 44901–44904, 44906, 44912, 46105, Pub. L. 107–71 sec. 104.

■ 2. Amend § 129.1 by:
■ a. Redesignating paragraph (c)(2) as paragraph (c)(4); and
■ b. Adding a new paragraph (c)(2) and paragraph (c)(3).

The additions read as follows:

§ 129.1 Applicability and definitions.

* * * * *

(c) * * *

(2) *Regional Safety Oversight Organization* means an association or organization that comprises a group of member States, which—

(i) Has provided notification to the International Civil Aviation Organization of the scope of tasks and functions delegated or transferred to the Regional Safety Oversight Organization, including but not limited to: sharing common or harmonized aviation regulations, licensing, certification, authorization, approval, and surveillance of civil aviation activities, and any legal authority delegated or transferred by a member State to the Regional Safety Oversight Organization; and

(ii) Has stipulated the specific tasks, functions, delegations, and transfers by member States discussed in paragraph (c)(2)(i) of this section, and any other collective understandings of member States in Regional Safety Oversight Organization formation documentation, such as an agreement, treaty, or informal record, that is available for review by the Administrator.

(3) *State of the Operator* means the State in which the operator's principal place of business is located or, if there is no such place of business, the operator's permanent residence.

* * * * *

■ 3. Amend § 129.7 by revising paragraphs (c)(5) and (d) to read as follows:

§ 129.7 Application, issuance, or denial of operations specifications.

* * * * *

(c) * * *

(5) Holds a valid air operator certificate, if acceptable to the Administrator, issued by:

(i) The State of the Operator; or

(ii) A Regional Safety Oversight Organization (RSOO) if the State of the Operator is a member State of that RSOO.

(d) An application may be denied if the Administrator finds that the applicant does not meet one or more of the criteria listed in paragraph (c) of this section.

■ 4. Amend § 129.9 by revising paragraphs (a)(3) and (b)(3) to read as follows:

§ 129.9 Contents of operations specifications.

(a) * * *

(3) The certificate number and validity of the foreign air carrier's air operator certificate;

* * * * *

(b) * * *

(3) In the case of a foreign air carrier, the certificate number and validity of the foreign air carrier's air operator certificate;

* * * * *

Issued under authority provided by 49 U.S.C. 106(f) and 44701(a) in Washington, DC.

Michael Gordon Whitaker,

Administrator.

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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

24 CFR Part 5

[Docket No. FR–6464–C–03]

RIN 2501–AE11

Adoption of 2020 Core Based Statistical Area Standards; Correction

AGENCY: Office of the Secretary, U.S. Department of Housing and Urban Development.

ACTION: Final rule; correction.

SUMMARY: The Department of Housing and Urban Development (HUD) is correcting a final rule entitled, ''Adoption of 2020 Core Based Statistical Area Standards'' that published in the **Federal Register** on December 6, 2024.

DATES: Effective January 6, 2025.

FOR FURTHER INFORMATION CONTACT: With respect to this technical correction, contact Allison Lack, Assistant General Counsel for Regulations, Department of Housing and Urban Development, 451 7th Street SW, Room 10238, Washington, DC 20410; telephone number 202–708–1793 (this is not a toll-free number). HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. To learn more about how to make an accessible telephone call, please visit *https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs.*

SUPPLEMENTARY INFORMATION: On December 6, 2024 (89 FR 96898), HUD published a final rule that adopts the 2020 Core Based Statistical Area (CBSA) standards as determined by the Office of Management and Budget's July 16, 2021, **Federal Register** notice for all HUD uses of CBSAs. The rule amended 24 CFR part 5 by adding a new subpart M. In reviewing the December 6, 2024, final rule, HUD identified an inadvertent error in § 5.3001. Specifically, HUD incorrectly designated two paragraphs as paragraph (e) and two paragraphs as paragraph (f). This document corrects these errors.

Correction

In FR Doc. 2024–28450, published December 6, 2024, at 89 FR 96898, the following corrections are made:

§ 5.3001 [Corrected]

■ 1. On page 96901, in the first column, the second paragraph (e) is redesignated as paragraph (g), the second paragraph (f) is redesignated as paragraph (h), and