



OFFICE OF ADVOCACY **FACTSHEET**

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Advocacy Urges FAA To Consider Impact on Small Entities of Proposed National Air Tour Safety Standards

On April 2, 2004, the U.S. Small Business Administration's Office of Advocacy (Advocacy) filed comments on the Federal Aviation Administration's (FAA) proposed rule establishing national safety standards for commercial air tours conducted in certain powered aircraft. A copy of Advocacy's letter can be found at: www.sba.gov/advo/laws/comments.

- Part 91 of Title 14 of the *Code of Federal Regulations* currently exempts from certification required under Part 119, certain nonstop sightseeing flight operators who use the same airport for takeoff and landing and fly within a 25-mile radius.
- The proposed rule eliminates the exemption for Part 91 sightseeing flights, requires all air tours to obtain Part 119 certification, sets new pilot flight hour requirements for certain charitable flights, and establishes several new operational and equipment standards for existing Part 135 commercial air tours.
- Small sightseeing operators (Part 91 operators) are concerned about the cost of obtaining Part 119 certification. They also worry that obtaining this certification will affect their ability to obtain insurance, and that a potentially lengthy certification process will result in significant revenue loss.
- Small air tour operators already certificated under Part 119 (Part 135 operators) are concerned that the proposed rule is duplicative and will impose significant financial burdens on their businesses. Generally, affected small entities believe that the FAA underestimated the economic impacts of the rule.
- Advocacy believes that the rule could cause a substantial number of small operators to exit the commercial air tour industry and will impose significant cost burdens on existing air tour operators and others seeking Part 119 certification. The full extent of the economic impacts is uncertain because of data inadequacies in the initial regulatory flexibility analysis (IRFA).
- Advocacy recommends that the FAA withdraw the rule until it obtains further data on the number of operators affected and on the economic impact of the proposed rule on Part 91 and Part 135 operators, including more accurate data on revenues and costs. Should the FAA continue the rulemaking, Advocacy asks that less burdensome alternatives be considered to minimize the economic impact on small entities while achieving the regulatory objectives.

For more information, visit Advocacy's webpage at: www.sba.gov/advo or contact Carrol Barnes at 202-205-6533.