

**§ 71.1 [Amended]**

■ 2. The incorporation by reference in 14 CFR Part 71.1 of the Federal Aviation Administration Order 7400.9W, Airspace Designations and Reporting Points, dated August 8, 2012, and effective September 15, 2012, is amended as follows:

*Paragraph 6005: Class E airspace areas extending upward from 700 feet or more above the surface.*

\* \* \* \* \*

**AGL SD E5 Hot Springs, SD [Amended]**

Hot Springs Municipal Airport, SD  
(Lat. 43°22'06" N., long. 103°23'18" W.)

That airspace extending upward from 700 feet above the surface within a 7.4-mile radius of Hot Springs Municipal Airport, and within 2 miles each side of the 021° bearing from the airport extending from the 7.4-mile radius to 12.1 miles north of the airport.

Issued in Fort Worth, Texas, on February 12, 2013.

**David P. Medina,**

Manager, Operations Support Group, ATO  
Central Service Center.

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**DEPARTMENT OF TRANSPORTATION****Federal Aviation Administration****14 CFR Part 129****International Aviation Safety Assessment (IASA) Program Change**

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Policy statement.

**SUMMARY:** This statement describes a policy change to the FAA's International Aviation Safety Assessment (IASA) program. The FAA wants to ensure that countries do not remain on this listing when the results of the FAA's IASA determinations as to those countries might no longer be accurate or reasonably current. The FAA is accordingly adopting a procedure to remove a country from the IASA program summary listing when that country's air carriers no longer provide air service to the United States, none of the country's air carriers participates in code-share arrangements with U.S. air carriers, and the country's civil aviation authority (CAA) has ceased interacting with the FAA for an extended period of time. The FAA is making this change to improve the quality of the IASA summary listing. This statement also explains IASA Categories 1 and 2 in terms of what the flying public may reasonably take them to mean. This

document modifies the IASA policies previously announced by the FAA.

**DATES:** *Effective date:* April 8, 2013.

**FOR FURTHER INFORMATION CONTACT:** Manager of the International Programs and Policy Division (AFS-50), Flight Standards Service, Federal Aviation Administration, 800 Independence Avenue SW., Washington, DC 20591, (202) 385-8070.

**SUPPLEMENTARY INFORMATION:****Background**

*The Removal of Inactive Countries; and Public Expectations of IASA Categories*

**Removal of Inactive Countries**

Under the IASA program, the FAA assesses whether another country's oversight of its air carriers that operate, or seek to operate, into the U.S., or codeshare with a U.S. air carrier, complies with international aviation safety standards established by the International Civil Aviation Organization (ICAO). The FAA maintains and publishes a country-by-country summary listing of the results of its IASA determinations. Some countries continue to be listed on the IASA summary, whether in Category 1 or 2, even though the countries have no air carriers that are serving the United States or code sharing with one or more U.S. partner airlines. Because of the lack of air service to the United States, there is minimal, if any, interaction between the FAA and the subject CAAs. To date, countries have not been removed from the category listing for inactivity, even though the safety oversight information previously collected may become stale and unreliable. To improve the quality of information on the IASA program summary category listing, the FAA is initiating a process to remove inactive countries from the listing.

Information generated by the IASA program is used by the U.S. and foreign governments, the aviation industry, and the traveling public. IASA information disseminated should be accurate and reasonably current. To this end, countries whose IASA information can no longer be considered accurate and reasonably current will be removed from the published IASA summary listing.

In determining whether a country's IASA information is no longer accurate and reasonably current, we will proceed on the basis that if, after a four year period, a country has no air carrier providing air transport service to the United States, none of the country's air carriers participates in code-share arrangements with U.S. air carriers, and the CAA does not interact significantly

with the FAA, the FAA will remove that country from the IASA summary category listing. These criteria will be applied immediately in a review of countries currently on the list and on a continual basis going forward.

Before the FAA removes a country from the IASA program listing, the country's CAA will receive formal notification prior to the removal. Just as it does when a country is added to the list or a country's IASA category is changed, the FAA will notify the public regarding the removal of a country from the IASA summary listing.

Once a country is removed from the IASA summary listing, a full reassessment of the CAA must be conducted before the country can be rated in the IASA program and before a carrier subject to that country's aviation safety oversight can serve the United States using its own aircraft or can put a U.S. carrier code on its flights.

**Public Expectations of IASA Category Ratings**

Members of the public have asked what the IASA category rating for a country means when they are making transportation choices. Category 1 means that the FAA has found that the country meets ICAO Standards for safety oversight of civil aviation. Category 2 means that the FAA has found that the country does not meet those Standards. The ICAO Standards are presumptively binding on ICAO Member States as signatories to the Chicago Convention. The Standards are promulgated from time to time by ICAO and grouped by subject matter (for example, airline personnel licensing or operation of aircraft) in Annexes to the Chicago Convention.

The FAA normally determines the appropriate IASA category rating for a country using information collected during an in-country assessment of that country's CAA. The FAA also may consider other reliable sources of information on a CAA's compliance with international standards when making a determination of safety oversight under the IASA program. The FAA may use the information developed by these other sources to supplement the information developed during an FAA assessment of the CAA, or to entirely replace the assessment altogether, when making an IASA category determination.

In conducting its IASA assessments, the FAA uses a standardized checklist that groups the ICAO Standards on safety oversight into eight critical elements: (1) Primary aviation legislation, (2) specific operating regulations, (3) organization structure

and safety oversight functions, (4) technical personnel qualification and training, (5) technical guidance, (6) certification personnel and procedures, (7) surveillance obligations, and (8) resolution of safety issues. To achieve Category 1, the country must demonstrate that it meets the ICAO Standards for each of the eight elements. Category 2 means that the CAA was noncompliant in at least one critical element. The IASA assessment typically is conducted over the course of one week by a team consisting of a team leader and at least one expert in operations, maintenance, and aviation law. Each FAA expert works through the checklist with host country officials for each of the critical elements. The team looks at a representative sampling of records and processes, and it follows up with host country aviation officials if deficiencies appear.

The FAA assessment focuses on the ability of the host country's aeronautical authorities to oversee the operational safety of its airlines. It does not assess the safety compliance of any particular air carrier (nor does it address aviation security, airports, or air traffic management). Although the FAA assessment team typically visits one or more air carriers during its mission, it does so only to verify the relationship between the carrier and the country's aviation safety officials, not to assess the carrier itself.

Finally, the IASA category rating applies only to services to and from the United States and to codeshare operations when the code of a U.S. air carrier is placed on a foreign carrier flight. The category ratings do not apply to a foreign carrier's domestic flights or to flights by that carrier between its homeland and a third country. The assessment team looks at those flights only to the extent that they reflect on the country's oversight of operations to and from the United States and to codeshare operations where a U.S. air carrier code is placed on a flight conducted by a foreign operator.

In short, a category 1 rating means that, as to the operations by a category 1 country's carriers between that country and the United States, and when the code of a U.S. air carrier is placed on a foreign carrier flight, the FAA has found that the country's civil aviation authorities exercise safety oversight over those carriers consistent with international safety standards. A Category 2 rating, on the other hand, means the FAA has found that, in at least one critical area, the safety measures applied by the country's civil aviation authorities do not meet international standards.

Current IASA category determinations for countries included in the IASA categorization system are available on the FAA Web site at: <http://www.faa.gov/about/initiatives/iasa>.

Issued in Washington, DC, on February 25, 2013.

**Margaret Gilligan,**

*Associate Administrator for Aviation Safety.*

[FR Doc. 2013-05452 Filed 3-7-13; 8:45 am]

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## DEPARTMENT OF TRANSPORTATION

### Office of the Secretary

#### 14 CFR Part 254

RIN 2105-AE21

[Docket DOT-OST-2013-0044]

#### Domestic Baggage Liability

**AGENCY:** Office of the Secretary (OST), Department of Transportation (DOT).

**ACTION:** Final rule.

**SUMMARY:** In accordance with existing regulations, this final rule raises the minimum limit on domestic baggage liability applicable to air carriers to reflect inflation since July 2008, the basis month of the most recent previous revision to the liability limit. DOT regulations require that the Department of Transportation periodically revise the limit to reflect changes in the Consumer Price Index for All Urban Consumers (CPI-U). This revision adjusts the minimum limit of liability from the current amount of \$3,300, set by the Department in November 2008, to \$3,400, to take into account the changes in consumer prices since the prior revision.

**DATES:** This rule is effective on June 6, 2013.

**FOR FURTHER INFORMATION CONTACT:** Nicholas Lowry, Senior Attorney, Office of the General Counsel, Department of Transportation, 1200 New Jersey Ave. SE., Washington, DC 20590; 202-366-9351, [nick.lowry@dot.gov](mailto:nick.lowry@dot.gov).

#### SUPPLEMENTARY INFORMATION:

##### I. Revision of Liability Limit

Part 254 of the Department's rules (14 CFR part 254) establishes minimum baggage liability limits applicable to domestic air service. Section 254.6 of this rule requires the Department to review every 2 years the minimum limit of liability prescribed in Part 254 in light of changes in the CPI-U and to revise the limit of liability to reflect changes in that index as of July of each review year. Section 254.6 prescribes

the use of a specific formula to calculate the revised minimum liability amount when making these periodic adjustments. The formula is below.  $\$2500 \times (a/b)$  rounded to the nearest \$100

Where:

a = July CPI-U of year of current adjustment  
b = the CPI-U figure in December 1999 when the inflation adjustment provision was added to part 254.

The review in 2010 indicated that no inflation adjustment was required. In 2012, the review indicated that an inflation adjustment is required. Applying the formula to price index changes occurring between December 1999 (the basis month required by the formula) and July 2012 (the month for each biannual adjustment as specified in the formula), the appropriate inflation adjustment is  $\$2,500 \times 228.723/168.8$  [ $\$2,500 \times 1.355$ ], which yields \$3,387.50. (The base amount of \$2,500 in the formula was the minimum liability limit in Part 254 at the time that this biennial indexing provision was added to the rule, 228.723 was the CPI-U for July 2012, and 168.8 was the CPI-U for December 1999. The CPI-U data are from the seasonally adjusted series.) Section 254.6 requires us to round the adjustment to the nearest \$100, or to \$3,400 in this case.

In its rule "Enhancing Airline Passenger Protections" (76 FR 23110, Apr. 25, 2011), the Department required the amount of compensation due to passengers in instances of denied boarding (DBC) to be adjusted to reflect CPI-U changes. Under 14 CFR 250.5(e), the review of denied boarding compensation was to take place every 2 years, with the first such review occurring in July 2012, to coincide with our review of the baggage liability amount. We have reviewed the compensation amounts stated in the 2011 rule according to the formula set out in section 250.5(e) and found that no change in DBC amounts is warranted in 2012.

##### II. Regulatory Analyses and Notices

The Administrative Procedure Act (APA) (5 U.S.C. 553) contains a "good cause" exemption which allows agencies to dispense with notice and comment if those procedures are impracticable, unnecessary or contrary to the public interest. We have determined that under 5 U.S.C. 553(b)(3)(B) good cause exists for dispensing with a notice of proposed rulemaking and public comment as the application of this rule does not involve any agency discretion. This rulemaking is required by the terms of 14 CFR