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*.

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 × (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 × 228.723/168.8 [$2,500 × 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

254.6, as most recently amended in (73 FR 70591, November 21, 2008) and is simply a ministerial inflation update based on a formula. Accordingly, we find that prior notice and comment are unnecessary, and we are issuing these revisions to Part 254 as a final rule.

Although this final rule will become effective on June 6, 2013, in order to avoid imposing an undue burden the Department will defer enforcement of the notice provision in the rule (section 254.5) as it pertains to printed notices about the new limit for a reasonable time period to allow carriers to replace or update any current paper ticket stock and ticket jackets or inserts. Electronic notices about the minimum domestic liability limit, including notices that are printed ''on demand'' from an electronic source (e.g., Web sites, email messages, and airport kiosks) should be updated no later than the effective date of this final rule. Carriers are subject to enforcement action from the effective date of this final rule if they fail to provide notice of the new minimum liability limit in the manner described above, or if they fail to apply the new limit.

Executive Order 12866

This final rule has been evaluated in accordance with existing policies and procedures and is considered not significant under both Executive Order 12866 and DOT's Regulatory Policies and Procedures. The rule has not been reviewed by the Office of Management and Budget (OMB) under Executive Order 12866. This revision of 14 CFR 254.4 provides for an inflation adjustment to the amount of the minimum limit on baggage liability that air carriers may incur in cases of mishandled baggage, as required by section 254.6. The provisions are required by current regulatory language, without interpretation.

This rule will pose minor additional costs to airlines only in those instances in which carriers lose, damage or delay baggage and where the amount of the passenger's claim in those instances exceeds the prior minimum liability limit of $3,300. The maximum potential impact in those instances is $100 on each such claim. Reports filed each month with the Department by airlines that each account for at least one percent of total domestic scheduled-service passenger revenues show that, in 2012, approximately 0.3 percent (.003) of domestic passengers experience a mishandled bag. The total number of domestic scheduled passenger enplanements in 2012 was 652,178,681. This means that approximately 2 million domestic scheduled passengers experience a mishandled bag each year (.003 multiplied by 652.2 equals 1,956,536). However, the vast majority of the instances of mishandled baggage do not result in a claim in an amount that is affected by the liability limit in this rule. We contacted a few carriers to determine how many of their domestic passengers have had claims that exceed the prior minimum liability limit of $3,300. Based on the information provided, we believe a little more than one half percent (0.0058) of the domestic passengers who experience a mishandled bag would benefit from an increase in the minimum limit on baggage liability, i.e., about 11,300 passengers. Therefore, we expect that there would be a cost to the airline industry of $1.1 million each year (the number of domestic passengers who receive a baggage settlement that exceeds the prior minimum liability limit of $3,300, which is 11,300 passengers multiplied by the maximum potential impact in those instances which is $100). There would also be a benefit to passengers in the same amount.

Regulatory Flexibility Act

The Regulatory Flexibility Act of 1980 (5 U.S.C. 601–612) requires an assessment of the impact of proposed and final rules on small entities unless the agency certifies that the proposed regulation will not have a significant economic impact on a substantial number of small entities. Since notice and comment rulemaking is not necessary for this rule, the provisions of the Regulatory Flexibility Act (Pub. L. 96–354, 5 U.S.C. 601–612) do not apply. However, DOT has evaluated the effects of this action on small entities and has determined that the action would not have a significant economic impact on a substantial number of small entities. An air carrier is a small business if it provides air transportation only with small aircraft (i.e., aircraft with up to 60 seats/18,000 pound payload capacity). See 14 CFR 399.73. This revision affects only flight segments operated with large aircraft and other flight segments appearing on the same ticket as a large-aircraft segment. As a result, many operations of small entities, such as air taxis and many commuter air carriers, are not covered by the rule. Moreover, any additional costs for small entities associated with the rule should be minimal and may be covered by insurance. Accordingly, we certify that this action will not have a significant economic impact on a substantial number of small entities.

Paperwork Reduction Act

This final rule imposes no new reporting or record keeping requirements necessitating clearance by OMB.

List of Subjects in 14 CFR Part 254

Air carriers, Administrative practice and procedure, Consumer protection, Department of Transportation.

Accordingly, the Department of Transportation amends 14 CFR part 254 as follows:

PART 254—DOMESTIC BAGGAGE LIABILITY

■ 1. The authority citation for part 254 continues to read as follows:

Authority: 49 U.S.C. 40113, 41501, 41504, 41510, 41702 and 41707.

§ 254.4 [Amended]

■ 2. Section 254.4 is amended by removing ''$3,300,'' and adding ''$3,400'' in its place.

§ 254.5 [Amended]

■ 3. In § 254.5, paragraph (b) is amended by removing ''$3,300'' and adding ''$3,400'' in its place.

Issued in Washington, DC, on March 4, 2013, pursuant to authority delegated in 49 CFR 1.27(n).

Robert S. Rivkin,

General Counsel.

[FR Doc. 2013–05475 Filed 3–7–13; 8:45 am]

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DEPARTMENT OF COMMERCE

Bureau of Industry and Security

15 CFR Part 744

[Docket No. 121219726–2726–01]

RIN 0694–AF85

Addition of Certain Persons to the Entity List

AGENCY: Bureau of Industry and Security, Commerce.

ACTION: Final rule.

SUMMARY: This rule amends the Export Administration Regulations (EAR) by adding three entries to the Entity List for one person who has been determined by the U.S. Government to be acting contrary to the national security or foreign policy interests of the United States. This person will be listed on the Entity List under Germany, Russia, and Taiwan.

DATES: *Effective date:* This rule is effective March 8, 2013.