G. Regulatory Flexibility Act, 5 U.S.C. 601–612

The Regulatory Flexibility Act (RFA), 5 U.S.C. 601, requires administrative agencies to consider the effect of their actions on small entities, small nonprofit enterprises, and small local governments. Pursuant to the RFA, when an agency issues a rulemaking, the agency must prepare a regulatory flexibility analysis which describes the impact of the rule on small entities. However, the RFA requires such analysis only where notice and comment rulemaking is required. As discussed above, SBA has found good cause that notice and public comment are impracticable, unnecessary, or contrary to the public interest. Accordingly, SBA is not required to conduct a regulatory flexibility analysis and is publishing this rule as a direct final rule without advance notice and public comment. The narrow applicability and clarifying nature of the amendments ensure that no substantial number of small entities will experience a material impact from this rule.

List of Subjects in 13 CFR Part 107

Investment companies, Loan programs-business, Reporting and recordkeeping requirements, Small businesses.

Accordingly, for the reasons stated in the preamble, SBA amends 13 CFR part 107 as follows:

PART 107—SMALL BUSINESS INVESTMENT COMPANIES

■ 1. The authority citation for part 107 continues to read as follows:

Authority: 15 U.S.C. 662, 681–687, 687b–h, 687k–m.

■ 2. Amend § 107.1130 by revising paragraph (d)(1) to read as follows:

§ 107.1130 Leverage fees and Annual Charges.

* * * * *

(d) * * *

(1) *Debentures.* You must pay to SBA an Annual Charge, not to exceed 1.38 percent per annum, on the outstanding principal amount of your Debentures (including both Accrual Debentures and standard Debentures), payable under the same terms and conditions as the interest on the applicable Debentures. SBA may establish and publish an Annual Charge for Accrual Debentures at a different rate than the Annual Charge established for other Debentures. Unless otherwise determined by SBA, for Leverage issued pursuant to Leverage commitments relating to any Debentures (including both Accrual Debentures and standard Debentures), the Annual Charge, established and published, shall not be less than 0.25 percent per annum, subject to the following provisions:

(i) For Leverage issued pursuant to Leverage commitments approved on or after October 1, 2026, the Annual Charge, established and published, shall not be less than 0.30 percent per annum.

(ii) For Leverage issued pursuant to Leverage commitments approved on or after October 1, 2027, the Annual Charge, established and published annually, shall not be less than 0.35 percent per annum.

(iii) For Leverage issued pursuant to Leverage commitments approved on or after October 1, 2028, the Annual Charge, established and published annually, shall not be less than 0.40 percent per annum.

* * * * *

Kelly Loeffler,

Administrator.

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BILLING CODE 8026–09–P

DEPARTMENT OF TRANSPORTATION

Office of the Secretary

14 CFR Parts 260 and 399

[Docket No. DOT–OST–2022–0089, DOT–OST–2025–2285]

RIN 2105–AF04, 2105–AF36

Airline Refunds and Other Consumer Protections

AGENCY: Office of the Secretary of Transportation (OST), U.S. Department of Transportation.

ACTION: Notification of enforcement discretion.

SUMMARY: Under the U.S. Department of Transportation's (Department or DOT) refund regulations in 14 CFR parts 260 and 399, a flight that is given a different flight number than was assigned when the consumer purchased the ticket is considered a new flight and the original flight is considered a cancelled flight for which the consumer is eligible for a refund. This document announces that the Department is exercising its discretion to not enforce the requirements in 14 CFR 260.6, 260.9 and 14 CFR 399.80(l) regarding refunds and other consumer protections for a cancelled flight when a flight is renumbered so long as the passenger is rebooked on the flight under the new number and the flight is operated without any ''significant change or delay'' as defined in 14 CFR 260.2 and 14 CFR 399.80(l). The Department is taking this interim step of pausing enforcement of its refund requirements under these specific limited circumstances while it engages in a new rulemaking to consider whether to modify the definition of cancelled flight through rulemaking.

DATES: As of December 5, 2025, the Department is pausing until June 30, 2026 the enforcement of airline refunds requirements regarding cancelled flights under 14 CFR parts 260 and 399 for flights that are operated under a different flight number than was held out to consumers at the time of ticket purchases so long as the flights impose no significant change or delay to consumers' itineraries.

ADDRESSES: This notification of enforcement discretion may be viewed online at *www.regulations.gov* using the docket numbers 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' website at *www.federalregister.gov* and the Government Publishing Office's website at *www.GovInfo.gov.*

FOR FURTHER INFORMATION CONTACT: Clereece Kroha or Blane Workie, Office of Aviation Consumer Protection, U.S. Department of Transportation, 1200 New Jersey Avenue SE, Washington, DC 20590, 202–366–9342 (phone), 202–366–7152 (fax), *clereece.kroha@dot.gov,* or *blane.workie@dot.gov* (email).

SUPPLEMENTARY INFORMATION: On April 26, 2024, DOT published in the **Federal Register** a final rule on ''Airline Refunds and Other Consumer Protection'' (Refund I) that, among other things, requires airlines and ticket agents to provide prompt refunds to consumers when their flights are cancelled, significantly delayed, or significantly changed and the consumers are not offered or reject alternative transportation, travel credits, vouchers, or other compensation.[1] The rule also requires carriers to provide notifications to affected consumers that they are entitled to a refund when a flight cancellation or significant delay or change occurs.[2] The rule defines a ''cancelled flight or flight cancellation'' to mean a covered flight with a specific flight number scheduled to be operated between a specific origin-destination city pair that was published in the carrier's Computer Reservation System

[1] 89 FR 32760, 14 CFR 260.6.

[2] *Id.,* 14 CFR 260.9.

at the time of the ticket sale but not operated by the carrier.[3] In the preamble of the final rule, the Department explains that under this definition, a flight that was operated under a different flight number would be considered a new flight and the original flight would be considered a canceled flight.[4]

On May 16, 2024, the FAA Reauthorization Act of 2024 (Act) was signed into law. Section 503 of the Act, which is codified in 49 U.S.C. 42305, requires airlines to notify consumers affected by flight cancellations of their rights to a refund and to provide refunds to passengers on any cancelled flight if the passengers choose not to fly on an alternative flight or accept any compensation offered by the carrier in lieu of a refund. The statute does not define what constitutes a ''cancelled flight.'' [5]

On April 3, 2025, the Department issued a Request for Information titled Ensuring Lawful Regulation; Reducing Regulation and Controlling Regulatory Costs (Regulatory Reform RFI). Among other things, the Regulatory Reform RFI sought public input to assist the Department in identifying existing regulations that can be modified or repealed, consistent with law, to ensure that DOT achieves meaningful burden reduction while continuing to meet statutory obligations and assure the safety of the U.S. transportation system.[6] Several airlines and airline trade associations commented in the Regulatory Reform RFI docket that the Department should not consider a simple flight number change a flight cancellation. The commenters pointed out that flight number changes are made for a myriad of operational or commercial reasons and have no material impact on passengers.[7] They urged the Department to revise the definition to exclude flight number changes. The Department also received a request for enforcement discretion from two U.S. carriers following their merger. In that request, the carriers described the need to renumber tens of thousands of flights for operational integration and FAA compliance. The Department determined that consumers were not harmed by this flight renumbering, and based in part on this determination, the Department granted that request.[8]

Recently, the Department has received communications from a U.S. airline advocating for a revision to the current definition of a cancelled flight as established by the prior administration, arguing that the definition is not required by statute, does not reflect the realities of airline operations, and is overly broad. The airline contends that flight number changes are often necessary for logistical reasons and have no material impact on consumers. The airline explains that there are two primary reasons for its flight number changes—a switch between mainline and regional service and a switch between two regional operators. The airline emphasizes that a flight number change should not automatically be classified as a flight cancellation that triggers eligibility for a refund.[9]

The Department has initiated a new rulemaking titled ''Airline Refunds and Other Consumer Protections III'' (Refund III) that will, among other things, address the definition of a flight cancellation that would entitle consumers to ticket refunds.[10] In the interim, the Department has decided to exercise its discretion and not enforce the ticket refund and notification requirements in 14 CFR 260.6, 260.9 and 399.80(l) when a flight is given a different flight number than was originally assigned provided that the passenger is rebooked on the new flight and the flight is operated without any ''significant change or delay'' [11] as described in 14 CFR 260.2 and 14 CFR 399.80(l). This enforcement discretion is temporary, pending a decision on whether to move forward with a final rule to change the definition of a cancelled flight. This enforcement notice does not prejudge the outcome of the new rulemaking and is intended to address operational difficulties that airlines face with the definition of canceled flight while the rulemaking is ongoing.

The earliest date that DOT expects to decide on whether to move forward with a final rule on Refund III to change the definition of a canceled flight is June 30, 2026. DOT has announced a target date of February2026 for issuance of a notice of proposed rulemaking on Refund III. A typical comment period for an NPRM is 60 days. DOT intends to carefully consider all comments received (including late comments to the extent practicable) before issuing a final rule, if appropriate. This notice of enforcement discretion does not affect the enforcement of the ticket refund or notification requirements beyond the definition of canceled flight involving renumbered flights. It also does not affect any other rights of consumers provided in other DOT rulemakings [12] or how U.S. carriers report on-time performance data including cancelled and discontinued flights to the Department pursuant to 14 CFR part 234.

Issued in Washington, DC, under authority delegated in 49 CFR 1.27(n).

Gregory Zerzan,

General Counsel.

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[3] *Id.,* 14 CFR 260.2.

[4] 89 FR 32770.

[5] On August 12, 2024, DOT published a final rule titled ''Refunds and Other Consumer Protections (2024 FAA Reauthorization)'' (Refund II) amending Refund I to be consistent with FAA Reauthorization Act.

[6] 90 FR 14593.

[7] See Comment from Airlines for America, *https://www.regulations.gov/comment/DOT-OST-2025-0026-0845;* Comment from International Air Transport Association, *https://www.regulations.gov/comment/DOT-OST-2025-0026-0796.*

[8] Letter from DOT to Alaska Airlines and Hawaiian Airlines dated March 24, 2025. See Docket No. DOT–OST–2025–2285.

[9] Letter from American Airlines to DOT dated November 17, 2025. See Docket No. DOT–OST–2025–2285.

[10] Spring 2025 Unified Agenda of Regulatory and Deregulatory Actions, Department of Transportation, Airline Refunds and Other Consumer Protections III (RIN 2105–AF36) at *https://www.reginfo.gov/public/do/eAgendaViewRule?pubId=202504&RIN=2105-AF36.*

[11] A significant delay or change would occur when as a result of the new flight (1) The consumer is scheduled to depart from the origination airport three hours or more for domestic itineraries and six hours or more for international itineraries earlier than the original scheduled departure time; (2) The consumer is scheduled to arrive at the destination airport three or more hours for domestic itineraries or six or more hours for international itineraries after the original scheduled arrival time; (3) The consumer is scheduled to depart from a different origination airport or arrive at a different destination airport; (4) The consumer is scheduled to travel on an itinerary with more connection points than that of the original itinerary; (5) The consumer is downgraded to a lower class of service; (6) The consumer who is an individual with a disability is scheduled to travel through one or more connecting airports different from the original itinerary; or (7) The consumer who is an individual with a disability is scheduled to travel on substitute aircraft on which one or more accessibility features needed by the customer are unavailable.

[12] For instance, the Department requires airlines to offer free rebooking on the next available flight of the same carrier or partner carrier when the airline becomes aware that a passenger's personal wheelchair or scooter does not fit on the passenger's scheduled flight. See 14 CFR 382.125(f)(2). This means that if there is a change of flight number accompanied by a change to a smaller aircraft that is no longer able to accommodate a passenger's wheelchair or scooter, the airline must offer the individual free rebooking on the next available flight.