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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Parts 13, 47, and 91

Docket No.: FAA-2008-0188; Amendment Nos. 13-34, 47-29, 91-318

RIN 2120-AI89

Re-Registration and Renewal of Aircraft Registration

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This final rule amends the FAA's regulations concerning aircraft registration. Over a 3-year period, this rule will terminate the registration of all aircraft registered before October 1, 2010, and will require the re-registration of each aircraft to retain U.S. civil aircraft status. These amendments also establish a system for a 3-year recurrent expiration and renewal of registration for all aircraft issued registration certificates on or after October 1, 2010. This final rule amends the FAA's regulations to provide standards for the timely cancellation of registration numbers (N-numbers) for unregistered aircraft. This final rule makes other minor changes to establish consistency and ensure the regulations conform to statute or current Registry practices. These amendments will improve the accuracy of the Civil Aviation Registry database and will ensure that aircraft owners provide information to maintain accurate registration records. These amendments respond to the concerns of law enforcement and other government agencies to provide more accurate, up-to-date aircraft registration information.

DATES: These amendments become effective October 1, 2010.

FOR FURTHER INFORMATION CONTACT: For technical questions concerning this final rule contact John Bent, Civil Aviation Registry, AFS-700, FAA Mike Monroney Aeronautical Center, 6500 South MacArthur Boulevard, Oklahoma City, OK 73169; Telephone (405) 954-4331; e-mail john.g.bent@faa.gov. For legal questions concerning this final rule contact Robert Hawks, Office of Chief Counsel, (AGC-240); Federal Aviation Administration, 800 Independence Avenue, S.W., Washington, DC 20591; Telephone: (202) 267-7143; e-mail rob.hawks@faa.gov.

SUPPLEMENTARY INFORMATION:

Authority for this Rulemaking

The FAA's authority to issue rules regarding 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 agency's authority.

This rulemaking is promulgated under the authority described in Subtitle VII, Part A, Subpart III, Chapter 441, Section 44111. Under that section, the FAA is charged with prescribing regulations considered necessary to carry out this part. In that section, Congress mandated the Administrator modify the system for registering and recording aircraft necessary to make the system more effective in serving the needs of its users. The modifications described in this amendment include measures to ensure positive, verifiable, and timely identification of the true owners of aircraft operated in the national airspace system. Thus, these changes are within the scope of the FAA's statutory authority and are a necessary and reasonable exercise of that authority.

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I. Executive Summary

The FAA estimates that approximately one-third of the 357,000 registered aircraft records it maintains are inaccurate and that many aircraft associated with those records are likely ineligible for United States registration. The inaccuracies result from failures in the voluntary compliance based system. Although aircraft owners are required to report the sale of an aircraft, death of an owner, scrapping or destruction of an aircraft, and changes in mailing address; many have not. Without owner initiated action, there has been no means to correct those records. The FAA has been asked by government and law enforcement agencies to provide more accurate and up-to-date aircraft registration information. This rule is intended to support the needs of our system users.

The changes made by this Final Rule provide the FAA Aircraft Registry the tools to improve the currency and accuracy of the Civil Aircraft Registry database and maintain the improvement into the future. Re-registration of all U.S. civil aircraft over a three year period will redraw the Civil Aircraft Register with current data derived from recent contact with aircraft owners. Additionally, the FAA is enabled to cancel the registrations of those aircraft that are not re-registered. These amendments will also ensure that aircraft owners refresh that data by providing information on the status of their aircraft at least once every three years when registration is renewed. The expected reduction in registration data error provided by this rule and the corresponding cost of implementation is shown in the table below with estimates for alternate renewal intervals that were considered.

This rule also eliminates the present Triennial Aircraft Registration Report Program, provides clear time limits and standards for canceling aircraft with registrations that have ended and for which no new registration application has been made or completed. It also makes several administrative changes to conform the regulation to statute and current registration practices.

An NPRM was published in the Federal Register on February 28, 2008 (73 FR 10701), requesting input on these goals and the proposed procedures to achieve them. Significant comments addressed concern that the proposed fee for registration renewal, which occurs every third year, would be increased and used as a device to raise revenue: that the recurrent nature of renewal would create excessive opportunities for administrative failure that would interfere with revenue flights; and that the rule would cause significant new costs for owners, operators and financiers that work with multiple aircraft that had not been accounted for in estimates of the cost of the proposed rule. This final rule is responsive to these and other comments as addressed in the discussion that follows.

Summary Of Costs and Benefits in Millions of 2007 Dollars (over 20 years)			
	Cost	Present Value Of Cost	Benefit:
Re-registration and 3-Year Renewal (Triennial Eliminated)	\$29.9	\$16.3	Reduction in Error Rate by 31%

Re-registration lowers the error rate from 36.5% to 5.7% for an improvement of 31%.

Renewal every third year maintains this improvement.

II. Background

The Aircraft Registration Branch (the “Registry”) is responsible for developing, maintaining, and administering national programs for the registration of United States civil aircraft. First among these responsibilities is maintaining the registration database. The database identifies each registered aircraft by its registration number (N-number), its complete description, and the name and address of its registered owner.

Registration is a prerequisite for obtaining an airworthiness certificate, and together a registration certificate and airworthiness certificate enable operation of an aircraft in U.S. and foreign airspace. The FAA uses the information collected at the time of registration to communicate safety-related information such as Airworthiness Directives to aircraft owners. Similarly, aircraft manufacturers use this information to send out safety notices and other information. The FAA relies on the registration database when responding to an overdue flight or downed aircraft report and when enforcing its regulations. Law enforcement agencies rely on the registration database when investigating improper activities such as drug smuggling. The registration database is used to identify aircraft that could be used by U.S. armed forces. It also is a resource for buyers and sellers of aircraft and for banks that may finance those transactions.

The FAA and other government agencies are increasingly developing sophisticated uses that are enabled by progressing technology. An example is Automatic Detection and Processing Terminal or ADAPT, a program developed by the FAA Strategic Operations Security with the Transportation Security Administration (TSA). (*See* 70 FR 73323, December 9, 2005.) This program continuously draws registration information for combination with other data, satellite feeds, and radar to develop a display of the national airspace complete with the registration status of each aircraft that is operating on a filed flight plan. Using this information, appropriate safety, security, and law enforcement actions can be initiated. The development of the ADAPT program and other safety- and security-related programs demand an accurate database.

Today, approximately one-third of the 357,000 registered aircraft have questionable registrations. There are many causes for this large number of potentially inaccurate aircraft records. Failure to re-register an aircraft after a sale to a new owner, failure to report the death of an owner, failure to report scrapping or destruction of aircraft, and failure to report changes of address erode the accuracy of the records. A requirement for registered owners to notify the Registry of these and other registration-related changes has been part of the registration regulations for many years. The number of questionable records in the registration database grows annually despite these requirements.

In 1988, the FAA mission was expanded to include providing assistance to law enforcement agencies through the passage of the FAA Drug Enforcement Assistance Act of 1988 (the Act) (partially codified at 49 U.S.C. § 44111). The Act charged the FAA with making specific modifications to the registration database to more effectively serve

the needs of buyers and sellers of aircraft, law enforcement officials, and other users of the system. The FAA has addressed most of the issues identified in the Act and improved service to users through administrative modifications, technology upgrades, and focused enforcement programs. Access to aircraft data and most individual aircraft records is easy and routine.

Although the FAA has worked to keep the registration database accurate and current, the Registry's ability to get timely updates of registration changes from aircraft owners is limited. From March 1970 through January 1978, registered owners were required to file an annual report. Beginning in April 1980, the Triennial Aircraft Registration program required a report from registered owners when 3 years passed without the occurrence of certain aircraft registration activities. Under both programs, failure to send in the required report subjected the aircraft's registration certificate to revocation under 14 CFR Part 13.

While a large portion of aircraft owners have and continue to report changes both independently and in response to a report notice, a significant portion of reports continue to be returned as undeliverable or not returned at all. Many orders revoking the prior owner's certificate of registration are returned as undeliverable. Because the new aircraft owner could be operating the aircraft on an ineffective and revoked certificate, the aircraft are kept in the system to prevent reassignment of the N-number to a second active aircraft.

Notwithstanding administrative modifications to the registration system, and enforcement efforts, there is an increasing number of registered aircraft whose status is in question or whose owner cannot be contacted. With approximately one-third of

registered aircraft assigned a questionable registration status, the present system of indefinite-duration registration certificates does not achieve the necessary accuracy and currency of aircraft registration data. Modifications to the aircraft registration system must be made to achieve a level of registration data reliability that meets the current and evolving needs of users. The FAA has determined that the most effective method for increasing the accuracy of its records is the establishment of limited-duration aircraft registration with clear standards for canceling N-number assignments when a registration expires or otherwise ends. The 3-year re-registration period will clear the registration database of aircraft with questionable registration. Recurrent renewal at regular intervals will maintain the improved accuracy.

The NPRM published in the Federal Register on February 28, 2008 (73 FR 10701) proposed:

- Expiration of registration for all currently registered aircraft and their re-registration as scheduled over a 3-year period;
- Recurrent expiration and renewal on a 3-year interval of all aircraft registrations issued after the effective date of the proposed rule with a registration renewal process;
- Elimination of the present Triennial Aircraft Registration Report program;
- A 6-month limit on the time an aircraft may remain in the sale reported category without an application being made for registration before its N-number assignment is canceled;
- A 12-month limit on the time an applicant or successive applicants for registration have to complete the registration process, and provisions for

reserving the aircraft's N-number if the aircraft is not registered at the end of this time; and,

- Cancellation of the N-number of an aircraft registered under a Dealer's Aircraft Registration Certificate (Dealer's Certificate), if the Dealer's Certificate has expired and application for registration has not been made under § 47.31.

The public comment period closed on May 28, 2008. Late-filed comments posted through June 30, 2008 were accepted for consideration.

III. Summary of Comments

The FAA received 94 comments on the NPRM. The commenters consisted of aviation industry associations, air carriers, banks, finance companies, law firms, and individuals. Most commenters expressed multiple opinions, concerns, and suggestions, which were often repeated by others. Common areas of concern are grouped by subject for response.

IV. Discussion of the Final Rule

A. Aircraft Re-registration and Periodic Renewal of Registration

As proposed in the NPRM, this rule adopts the expiration and re-registration of all registered aircraft over a 3-year period, followed by the expiration and renewal of aircraft registration at 3-year intervals. This rule establishes the expiration of registration for all aircraft registered before October 1, 2010, and provides for the re-registration of all aircraft over a 3-year period according to the schedule provided in § 47.40(a)(1). It also establishes the recurrent expiration and renewal of registration at 3-year intervals for all aircraft issued registration on or after October 1, 2010, in § 47.40(c). The expiration date printed on the registration certificate of aircraft registered or re-registered after October 1,

2010, will be 3 years from the last day of the month in which registration or re-registration occurred as provided in § 47.40 (a) and (b). A renewed aircraft registration will expire 3 years from the previous expiration date in accordance with § 47.40(c). Replacement registration certificates issued on or after October 1, 2010, will display the same expiration date that was shown on the replaced registration certificate. If the replaced registration certificate did not display an expiration date, the replacement certificate will display the expiration date indicated in § 47.40 based on the month of issue of the replaced registration certificate. Replacement certificates are issued after an address update, an N-number change, or the report of a lost or mutilated certificate. A replacement does not constitute re-registration or renewal.

Several commenters, particularly aircraft operators and aviation financing and leasing companies, expressed concern over the re-registration and periodic renewal of registration. Some commenters preferred, as an alternative to the proposal, updating the triennial program by “putting teeth” into its enforcement. This would include enforcing the requirement to return the triennial report even when no change has occurred and imposing fines or canceling registration when there is no compliance. The FAA has considered these alternatives and has determined they would not resolve the issues addressed by this rule. The “teeth” suggested (such as fines or cancellation for an owner not replying to the triennial) are the same options available to the FAA today. In appropriate cases, the FAA has and will continue to pursue enforcement actions as provided for in 14 CFR part 13. However, the purpose of this final rule is to maintain an accurate registry database, and the FAA has determined that re-registration and renewal of all aircraft registrations is the most efficient way to accomplish that purpose.

Existing § 47.51 requires the return of the triennial reports without changes. However, without an effective way of dealing with reports that were not returned or returned as undeliverable, the requirement became an unnecessary expenditure of resources for both the FAA and the public. Consequently, the instructions on the triennial report stated that return was unnecessary if no change had occurred. The FAA has concluded that recurrent registration expiration and renewal is the only way to ensure a regular validation of aircraft registration status and owner contact information. Therefore, as proposed, § 47.51 is removed.

Commercial commenters contended that the FAA underestimated the costs to some aircraft owners because aircraft registration often involves multiple parties. A high percentage of commercial and corporate aircraft, and a large number of general aviation aircraft, are leased to third parties and may be subject to financing agreements. These commenters stated they would need to implement systems to monitor the status of aircraft registrations for re-registration and renewal purposes. They also stated the costs of developing and maintaining such systems would be significant. The costs would include the need to hire an aviation professional to advise on, prepare, and file registration documents. They stated that outside counsel (engaged at a minimum of \$350 per hour) would be required to review filings. Also, significant time would be spent by the various parties communicating with each other and with the FAA. Finally, they stated that an appropriate employee (such as a mechanic) must place and document the placement of the registration certificate in the aircraft. The commenters contended the costs associated with taking the actions necessary to comply with the regulations can be substantial for

owners, operators, and financial institutions dealing with large aircraft fleets and should have been included in the regulatory evaluation.

The FAA agrees that for certain aircraft owners, the cost in the NPRM was underestimated. The FAA has revised its estimates of recurrent costs to include the time needed to fill out the re-registration or renewal application form, time for a legal review before the owner signs the application, time for the owner to receive a registration certificate and forward it to the aircraft operator, and time for the operator to receive and place the registration certificate in the aircraft. The FAA also has included one-time, start-up costs for documenting in-house re-registration and renewal procedures and the training of key personnel.

Costs for actions not directly imposed by the rule, such as actions a party might take for their own convenience or preference, were not included. Among these were costs for hiring outside personnel to interpret the new rule or assist with re-registration and renewal processing and costs for establishing tracking systems. These were classified as optional tools to assure compliance that are chosen by the owner or other parties but not directly required by the rule. Many operations already have a tracking system for maintenance or scheduling aircraft. These systems could be modified or adapted to help maintain aircraft registration by those who choose to use this method. New registration certificates will have the expiration dates printed on them to inform the pilot of the approaching expiration. The Registry website also will show the expiration date for individual aircraft and list aircraft that are pending re-registration or renewal. Most importantly, aircraft owners who keep their registration address current will receive

two timely reminder notices before the scheduled expiration date of their aircraft's registration.

The FAA recalculated the three 20-year scenarios presented in the NPRM to include the additional operating and start-up cost addressed in the previous paragraph. Each scenario starts with the 3-year re-registration followed by 3-, 5-, and 7-year renewal cycles without a triennial program. The chart that follows shows the comparative costs and error rates achieved by these scenarios.

Estimated Costs and Error Rates for Re-registration and Renewal (over 20 years)				
Options	Cost	Present value Cost	Error Rate	Inaccurately Registered Aircraft
Current Program	\$8,361,100	\$4,428,900	36.5%	132,100
Re-registration and 7-Year Renewal (Triennial Eliminated)	\$7,498,100	\$5,564,300	21.7%	68,900
Re-registration and 5-Year Renewal (Triennial Eliminated)	\$13,806,600	\$8,512,700	12.5%	37,600
Re-registration and 3-Year Renewal (Triennial Eliminated)	\$29,946,000	\$16,264,900	5.7%	18,800

After comparing the results of these scenarios, the FAA has determined the best balance between cost and improved accuracy is provided by the 3-year re-registration followed by 3-year renewal cycles and no triennial program. Overall, questionable or erroneous registrations are expected to change from the current total error of approximately 36.5% to a projected total error of approximately 5.7%. While the alternative options cost less, the projected total error rate for each is significantly higher than the 3-year renewal option. The Regulatory Evaluation contains a detailed discussion of how costs were determined with an explanation of the calculations behind these scenarios.

Re-registration of all aircraft and periodic renewal of registration will result in a more accurate database that will benefit all users. Law enforcement and security

agencies will have access to more accurate registration records, which should increase their effectiveness in accomplishing their missions. The FAA and manufacturers will realize cost savings when mailing emergency airworthiness directives, safety notices, and surveys to aircraft owners. More reliable notification regarding safety issues should improve aviation safety.

Commenters expressed concern over the opportunity re-registration and periodic renewal creates for administrative error that could ground an aircraft. They believe a renewal interval of 3 years increases this risk. Some commenters suggested a 5-year interval to coincide with fractional contracts or to match Uniform Commercial Code continuation filing. Another commenter suggested a 7-year interval to align with aging aircraft inspections.

The FAA has considered the recommended renewal intervals. However, these events do not relate to, or further the goal of, improving the accuracy of registration information. It is impractical to tie the renewal term to financial events over which the FAA has no control or scheduled inspections that may vary by aircraft. However, the FAA does recognize that regular renewal creates a regulatory obligation that, if missed, could lead to the temporary grounding of an aircraft. To reduce the potential for these events to occur, the FAA is implementing several procedural safeguards introduced in the following discussion.

B. Reminder Notices, Extended Filing Timeframes, and Online Access

The Registry will send owners two reminder notices rather than a single reminder as proposed in the NPRM. The first reminder notice will be sent 180 days before a registration is scheduled to expire. This is 60 days earlier than the 120 days proposed in

the NPRM. The reminder will provide basic instructions and identify the aircraft, its expiration date, and the 3-month filing window during which a registration or renewal application should be submitted. Filing the application within the assigned window will enable the new registration certificate to arrive before the old certificate expires. The second reminder notice will be sent at the end of the filing window to owners who have not yet re-registered or renewed registration. The filing window will close 2 months prior to the scheduled expiration date to allow for processing the applications and mailing the new certificates. Applications sent after the filing window closes will still be processed; however, due to processing and mailing times, the aircraft may be without authorization to operate until registration is completed. Section 47.40(a)(1) contains a chart with the schedule established for re-registration. The Registry will post lists on its website showing aircraft as they move through the various stages of re-registration and renewal. These changes should help owners keep their aircraft continuously registered and help keep other interested parties informed about the registration status of those aircraft.

In the NPRM, the FAA proposed extending expiration dates past the regulatory expiration date if the FAA or applicant were unable to complete the renewal process in a timely manner. The FAA has concluded that this process would be complicated and costly for both aircraft owners and the Registry. The FAA has determined that moving the first reminder notice and the filing window forward by 2 months and using this additional time for application processing and certificate delivery is a better solution. The earlier filing and additional 2 months for processing provides adequate time for a timely applicant to receive a new registration certificate. The process adopted by this

final rule will reduce the uncertainty about registration certificate arrival and the potential burden of coordinating extensions that the proposed process would have created.

The earlier reminder notice and additional processing time also respond to requests from a few commenters who suggested a temporary operating authority for use with re-registration and renewal applications. The FAA permits temporary operation through the use of the second or “Pink Copy” of the application for registration for a reasonable period of time following a transfer of ownership. Because of statutory limitations, this type of temporary authority cannot be used for re-registration and renewal because these events are not part of a transfer of ownership. Provided an owner files an application for re-registration or renewal in a timely manner during the re-registration and renewal window, an interval of not less than two months will remain on the old certificate. This is sufficient time for an application to be processed and a certificate issued and delivered.

The FAA planned to use the Aircraft Registration Application, AC Form 8050-1 as the application form for aircraft re-registration. To avoid confusion between the normal registration process with its temporary operating authority and the re-registration process, the Aircraft Registration Application, AC Form 8050-1 will not be used for re-registration. A separate application form has been developed and will be available from the Registry at its website, <http://registry.faa.gov/renewregistration>. Proposed regulatory language has been changed to keep the two processes separate.

The FAA proposed to require paper forms for all re-registration and to allow online renewal application when no changes were necessary. Several commenters called attention to the convenience and savings that could be achieved with both online re-registration and renewal. One commenter believed that completing the application

electronically could save about 25 minutes, providing convenience for owners. Others pointed out the savings in time and costs for the FAA if applications could be processed electronically.

The FAA agrees that online re-registration and electronic processing could reduce costs, but only when there are no changes to be made to the current registration information. Accordingly, the rule provides for both online re-registration and renewal when no changes are required. Extending the online option to those aircraft with information changes to report would be convenient for owners. However, the FAA currently cannot process these information updates electronically. Therefore, at this time, re-registration or renewal applications with updates cannot be made online. However, future online submission is not prohibited by the regulatory text, and we are exploring options for future acceptance of registration information electronically. Regardless of whether information is received electronically or through a paper-based method, address updates and other changes also require review and action by an examiner, so cost savings to the Government in these situations would be minimal or nonexistent.

The changes from the proposed rule discussed to this point extend the timeframes and simplify the procedures of the re-registration and renewal process to the benefit of owners, operators, and the FAA. When these elements of the rule are pulled together re-registration and renewal will operate similarly to the following example.

For the purpose of re-registration, an aircraft registration certificate that does not contain an expiration date and was issued in March of any year has an assigned expiration date of March 31, 2011, as described in § 47.40 of this rule. This example also applies to renewal of an aircraft registration certificate issued with an expiration date of

March 31st . On or about October 1, the first reminder notice will be sent to the aircraft owner at the address of record. The notice will remind the owner of the pending expiration and announce that the 3-month filing window will run from November 1st through the last day of January. The notice will include a unique passcode for use with online filing that will be valid until the close of the assigned filing window. It will also provide information for both online and paper form filing. A printable form will be available online and from the Registry. The additional 2 months provided for application processing and certificate delivery run from February 1st through March 31st. Timely applications, meaning those received at the Registry during the filing window, will be processed and issued with sufficient time for the registration certificate to arrive well before expiration on the last day of March. Re-registration and renewal applications that report updates to registration information or are filed after the filing window closes must be made using the paper application. Filing after the end of the 3-month window creates the possibility the new certificate will arrive after the old certificate expires. An owner who has allowed registration to expire may apply for registration in accord with § 47.31, by submitting an Aircraft Registration Application, AC Form 8050-1 and the registration fee identified in § 47.17.

A correct address on file will ensure that the reminder letters will be sent to the aircraft owner and avoid delays and possible loss of registration. There is no fee for updating an address or other information, like a name change, and it can be done at any time during or independent of the registration process.

C. Triennial Aircraft Registration Report No Longer Required

In the NPRM, the FAA proposed to remove § 47.51 and eliminate the requirement for aircraft owners to complete and return a Triennial Aircraft Registration Report. This proposal is adopted without modification in this final rule. The re-registration and renewal requirements adopted in this final rule eliminate the need for the triennial program.

D. Time Limits for Aircraft in Sale Reported and Registration Pending Status

Accuracy and usability of the database require eliminating aircraft from questionable registration statuses such as “Sale Reported” or “Registration Pending.” Approximately 17,000 aircraft are reported as sold and have remained in a “Sale Reported” status for more than 6 months. Their registration has ended, but without standards for canceling the assignment of an aircraft registration number, the aircraft remain in the database. With a registration number still assigned, “Sale Reported” aircraft could operate under “Pink Copy” temporary authority at any time if an application for registration is made. Due to normal processing delays, it cannot be known to a system user what the actual status is. Accordingly, “Sale Reported” aircraft are in a perpetually questionable status.

The FAA proposed to implement clear standards for the cancellation of registration number assignments from aircraft with ineffective registration. The basis for these standards is underscored in proposed § 47.15(i). When the ownership of an aircraft is transferred, its registration is no longer effective, and the FAA may cancel the corresponding assignment of registration number. To establish clear time periods in which to complete the registration of a transferred aircraft, proposed § 47.15(i) set forth timelines for cancellation of the assignment of registration number in three ownership

transfer scenarios. The FAA will cancel the assignment of registration number if 6 months have passed since notification to the FAA of transfer and no application for registration has been filed. The FAA will cancel the assignment of registration number if 1 year has passed since the application for registration was made, but the applicant or successive applicants have failed to meet the registration requirements of this part. The FAA will cancel the assignment of registration number if 6 months have passed since an aircraft dealer filed evidence of ownership in accord with § 47.67 that did not meet registration requirements, and these requirements have remained unmet. Section 47.15(i) is adopted as proposed in the NPRM without change.

Several commenters thought that automatic cancellation of registration numbers for failing to renew or re-register is a severe penalty. These commenters suggested that the system should accommodate the retention of N-numbers without the complication of an application or fees because it is expensive to put a new N-number on an aircraft.

Section 47.15(i) as adopted provides for the cancellation of an N-number assignment to an aircraft when registration ends. However, the cancellation process is not an automatic action as commenters suggest. When aircraft registration ends, the Registry will wait 30 days to ensure that any recently received requests from the owner have been processed. The Registry will then send a letter about the pending cancellation if a good address for an owner is on file.¹ The letter will inform the owner that the owner may reserve the N-number as provided for in newly adopted § 47.15(j) or register the aircraft under § 47.31 within 60 days from the date of the letter. If a reply is not received within 60 days, the aircraft record will be placed in a work packet and then in queue for an

¹ The Registry has a status it assigns to aircraft records that have had mail returned as undeliverable.

examiner to complete cancellation. If a good address for the aircraft owner is not on file, N-number cancellation will be scheduled for no sooner than 90 days from the date of expiration. During this time, the aircraft will appear on the Registry's webpage list of aircraft pending cancellation. Once cancellation is complete, the N-number will be unavailable for assignment for a period of 5 years in accord with § 47.15(j).

The 5-year hold is related to both safety and customer service. Many aircraft that may be canceled from the registration database belong to owners who have been out of contact with the Registry. These aircraft may be in use or may return to operational status during the next few years. It would be unwise to release an N-number for use on a second aircraft when there is a chance the first aircraft is still operating. The 5-year hold also is responsive to requests from law enforcement agencies. Removing the N-numbers of unregistered aircraft from service for a few years helps them identify and evaluate operating aircraft.

One commenter asked whether the requirement to return expired registration certificates could be modified. The costs to gather and return these certificates could be excessive for owners or operators with large or international fleets. The FAA agrees with this comment and has changed the language of proposed § 47.41(b). Instead of returning an expired registration certificate, the holder must destroy it.

A commenter asked why a limit of 120 days was established for use of the copy of a completed and returned Assignment of Special Registration Numbers, AC Form 8050-64. This commenter suggested a period of 180 days instead.

This form is issued as authority to place a special N-number on a specific aircraft during the next 12 months. Within 5 days of painting the N-number on the aircraft, the

form is to be completed with the painting date, signed by the owner, and returned to the Registry. The records will then be updated and a new aircraft registration certificate issued. While waiting for the new certificate, the owner is to keep a copy of the form with the old certificate as authorization to operate with the new N-number. The new certificate should arrive in 60 to 90 days at which time the copy of the form loses its authority. The 12-month and 120-day terms are imposed to establish a specific time limit in response to requests from law enforcement agencies. The FAA chose 120 days to allow response time for the occasional undelivered certificate. Given the time periods required to submit the appropriate documentation and the standard processing time, 180 days is excessive.

E. Conforming Amendments

Since this rule eliminates § 47.51, the rule includes conforming amendments to §§ 13.19 and 13.27 to remove the references to § 47.51. This rule also includes a conforming amendment to § 91.203(a)(2) to eliminate the reference to the “pink copy” of the Aircraft Registration Application.

V. Miscellaneous Comments

A. Re-Registration and Renewal

One commenter suggested sending additional notices to an aircraft’s lessee, secured party, or operator as known parties that could ensure re-registration or renewal is accomplished in a timely manner.

The aircraft registration regulations identify the aircraft owner as the responsible party to which the Registry directs any communication. The FAA cannot justify

modifying the current system to maintain addresses for parties other than the registered aircraft owner. Identifying these other interested parties might require the FAA to perform a title review of each aircraft's records, which contradicts the registered owner's duty to comply with all obligations it may have under leases, security agreements, or other contracts. Additionally, a system of secondary addresses would create a maintenance burden to keep these addresses current.

One commenter stated that it is not clear how this proposal would create a net time savings for any party as the cost/benefit analysis claims.

Neither the discussion in the NPRM nor the cost/benefit analysis claimed that there would be a net time savings for any party.

One commenter suggested that the FAA review the proposal and analyze its impact on foreign airlines and for conformity with other registration requirements and commitments, such as the Cape Town Convention on International Interests in Mobile Equipment.

The FAA agrees that U.S. civil aircraft operated internationally must comply with FAA as well as foreign operational standards. Leases often state that the lessee will comply with applicable regulations and laws present and future. The U.S. aircraft registration certificate conforms to the model certificate provided by the International Civil Aviation Organization. The addition of an expiration date is an enhancement over the basic requirement. This difference provides more confidence to foreign officials that the aircraft is properly registered. Validating registration and placing a renewal certificate in a U.S. registered aircraft operated in another country has little chance of

conflicting with international commitments. This rule has no effect on the Cape Town Convention.

B. Risks and Disruption

Many commenters expressed concern with the time, personnel, and administrative costs associated with implementing the rule as proposed. These commenters thought the increase in workload at the Registry would result in critical backlogs that would negatively affect both normal and rule-related work.

The FAA understands that confidence in the success of this final rule rests on the ability of the Registry to perform without excessive backlogs. A portion of the new work will be offset by the elimination of the triennial report program. Recent staffing changes and upgrades to the electronic documents processing systems will help streamline the new workload. Additionally, online “no-change” re-registration application filing and fee payments will be available. No critical backlogs in re-registration, renewal, or normal workload are expected as a result of this final rule.

Several lessees commented that lenders might modify contract covenants to require additional reports and assurances, or possibly withdraw from lending due to the real or perceived increase in uncertainty created by the proposed rule.

This final rule creates certainty in the registry database. Lenders, insurers, and other interested parties will now be able to verify whether the aircraft owner is complying with any registration terms and conditions contained in those private contracts. The FAA believes this rule will not be a factor in lenders deciding whether to finance aircraft transactions. Verifying or demonstrating successful re-registration or renewal may be done using the searchable aircraft information feature on the FAA website. The display

for each aircraft will show the issue date for its certificate as well as the next expiration date. Owners can download the registration database and create reports or populate their own fleet management databases. Reports could then be transmitted to a lender. With this information available on the website, and the 180-day and 60-day notices of expiration sent to the aircraft owner, investor confidence in the U.S. aviation industry should remain essentially unchanged by the implementation of this final rule.

Several commenters stated that expired registration could result in litigation because the ownership of the aircraft could be questioned. Specifically, these commenters were concerned that security interests filed against the aircraft could be held invalid or subordinate, thus exposing banks and other lenders to economic losses.

The FAA has determined this final rule will have no impact on priorities established by recording those interests at the FAA's Aircraft Registry. The United States ratified the Cape Town Convention which, in addition to other items, established an International Registry for registering covered interests in most commercial-sized aircraft. Article 29 of the Cape Town Convention firmly establishes that "a registered interest has priority over any other interest subsequently registered and over an unregistered interest." The continued priority of an interest established by registering that interest with the International Registry is not dependent upon continued United States civil aircraft registration. For aircraft not covered by the Cape Town Convention, security interests properly filed and recorded at the FAA's Aircraft Registry are arguably provided perpetual validity without further recording. Registration expiration does not change the ownership or otherwise affect interests in an aircraft, but private contract terms may affect those interests. The records for all aircraft that are currently on, or have

been on, the United States aircraft registry are permanent records and will remain available for review regardless of registration status.

Several commenters stated that expired registration could leave an aircraft without insurance coverage protecting its owner, lenders, lessee, and passengers. Commenters suggest that if an aircraft registration inadvertently expires, the insurance company might take the position that all or some coverage does not apply.

The FAA is aware that the renewal requirements of the final rule create a recurring event with which an aircraft owner may fail to comply. The additional reminder notice and enhanced registration information available on the Registry website should reduce the likelihood of an inadvertent failure to maintain registration. Aircraft owners who keep their addresses up-to-date, respond promptly to the reminder notices, and alert their pilots not to operate aircraft with expired certificates should avoid operating without current registration.

A large number of commenters thought that a lessor, particularly a ‘passive’ owner-trustee lessor for multiple aircraft, could become liable to the lessee and investors if the lessor failed to obtain renewal certificates and provide them to a lessee in time to place them into the aircraft before expiration. The lessor also might have difficulty collecting any renewal fees fronted for its lessee.

As stated in 49 U.S.C. chapter 441, only the owner of an aircraft is eligible to apply for registration. An owner’s choice to assume a passive role does not relieve it of its duties to comply with all applicable registration regulations. The FAA cannot justify tailoring the registration regulations to accommodate owners who choose to assume a passive role. As discussed previously, the FAA has modified this final rule so an owner

will have sufficient time to obtain a re-registration or renewal certificate and forward it to the lessee for placement in the aircraft before the old certificate expires.

C. Fees, User Fees, New Taxes

Several commenters saw this rulemaking as an excuse to collect a recurring user fee or tax. Others acknowledged that the current \$5 registration fee is too low. Some contended the \$45 and \$130 fees proposed in the FAA Reauthorization bill were too high, arguing that an equitable fee would be lower. Some express concern the \$130 fee would apply every 3 years, claiming that fee is too burdensome. One commenter saw the registration fee as a penalty for those who are late in meeting the deadline for re-registration. Another commenter offered that the full costs of aviation need to be assumed by those rich enough to buy and fly planes, not the general taxpayers.

The NPRM proposed a \$5.00 re-registration and renewal fee. This is a new and recurring fee which matches the current registration fee, even though it is less than the estimated direct cost of processing re-registration and renewal actions. The Federal Aviation Administration Reauthorization bill (H.R. 915), if enacted as passed by the House of Representatives on May 21, 2009, will provide the authority to increase registration-related fees. The projected fees are higher than current fees but reflect only the direct and applicable indirect unit costs of the FAA Registry's Aircraft Registration Branch. The \$130 registration fee projected in the legislation would not apply as the fee for re-registration or renewal. If estimated by the same method used for the reauthorization bill, the fee for re-registration and renewal would be about \$45. Neither the reauthorization bill, nor the NPRM, proposed a registration fee that includes a tax, user fee, or charge to generate revenue for purposes other than maintaining an accurate aircraft registration database.

Two commenters contended the increase in registration and renewal fees might raise the cost of learning to fly beyond the means of some students or otherwise discourage individuals from flying.

The FAA does not believe that these higher fees would cause students not to be able to learn to fly. Because this fee would be paid by aircraft owners, the costs could be prorated among flight instruction sessions. Costs for each student pilot would then be negligible.

One commenter proposed a sliding scale for people who have more than one aircraft. Another mentioned that these fees would affect general aviation more severely than airlines. This same commenter notes that the registration fee for cars is reduced as the car ages. Another requested the registration fee be tied to the aircraft's certificated gross weight or type certification.

The fees discussed are based on the costs to process aircraft registration, re-registration, or renewal. These costs are the same for all aircraft. Therefore, the use of sliding scales, number of aircraft owned, weight, type, age, or value of an aircraft to determine a fee would be inconsistent with the cost recovery nature of the fee.

Many commenters characterized the proposed rule as, "penalizing the law abiding citizens who provide the information required by the Government." They suggest that the FAA penalize those who do not comply and raise revenue through punitive actions focusing on the noncompliant parties.

The FAA does not seek to penalize the innocent and appreciates those aircraft owners who have made a conscientious effort to promptly report any changes in their addresses or the statuses of their aircraft. As discussed earlier, many changes go

unreported each year. In light of the arguments presented in the NPRM and this final rule, recurrent expiration and renewal of aircraft registration is the only identified option that can clear accumulated error from the registration records and maintain it at an acceptable level.

D. Alternatives Suggested by Commenters

Several commenters suggested that registration is or can be inspected as part of an aircraft's annual inspection.

Only the aircraft owner has the knowledge sufficient to review, update, and affirm the validity of an aircraft's registration information. Therefore, the FAA has concluded that it is inappropriate to include verification of registration as part of an annual inspection, which may not involve the participation of the aircraft owner.

One commenter suggested a one-stop FAA address change program, and another suggested that the time given to report an address change be extended from 30 to 90 days.

The FAA processes multiple address change requests when these requests indicate the offices that need to be notified. For example, if a pilot provides an address update and indicates that it also affects a specific aircraft that the pilot owns, the FAA updates both the airmen and aircraft databases. Similarly, the webpage for Airmen Certification address updates has a reminder message for pilots to also update any affected aircraft records with a link to instructions on how to do this. The Registry accepts and processes address updates whenever they are reported. Extending the timeframe from 30 to 90 days would not lower the incidence of bad addresses on file. It could however, lower the perception that it is important to promptly report address and other registration changes.

Several commenters suggested the FAA should capture address changes from maintenance forms, DOT Form 6410, the State Registries, the Airmen database, and from spot checks conducted by Airworthiness Inspectors.

The Registry has routinely made use of alternate resources to locate possible current addresses. A few of these include the Airmen Certification files, the U.S. Postal Service Change of Address database, returned surveys, and airworthiness directive forms. The Registry uses addresses from these alternate sources to contact aircraft owners and ask them to verify the correct registration address. It should be noted that while the FAA may be able to locate an aircraft's registered owner, changes to the registration information maintained on their aircraft can be authorized only by the owner.

A few commenters suggested that a title system for aircraft would provide better information.

The commenters did not offer any insight into how a title system would provide better information than the existing Certificate of Registration system as modified by this final rule. The FAA is authorized to modify its system to include a system of titling aircraft. (*See* 49 U.S.C. § 44111(c)(1).) However, the costs of converting to a titling system would likely far outweigh any benefits that would be derived. Even with a titling system, some form of initial and periodic updating of information would still be necessary to obtain and maintain the level of accuracy this final rule will provide.

Several commenters suggested exempting aircraft documented on Parts 121 and 135 maintenance certificates or operated by Fractional or Flight Department Operations.

Exempting any class of registered aircraft would reduce the effectiveness of this rule. All categories of aircraft contribute to the registration errors this rule seeks to

correct and prevent from accumulating in the future. Exempting any group of registered aircraft would also require the FAA to operate dual registries, which is operationally impractical.

There were a few suggestions that proposed exempting general aviation aircraft, because “they are too small to be a security risk” or “terrorists use big airplanes.”

The FAA does not agree. Large aircraft are operated as general aviation aircraft and all aircraft, regardless of size, are important enough to be furnished current safety information. Also, many small and medium-sized aircraft have been found suitable for drug running and similar activities of interest to law enforcement agencies.

Two commenters requested flexibility in choosing renewal dates.

This suggestion was not accepted. Allowing the choice of renewal date would unnecessarily complicate both the workflow of registration renewal and the overall management of the program. Keeping renewal dates linked to an aircraft’s registration date ensures that the Registry’s workload will occur evenly through the year eliminating potential recurring seasonal backlogs.

One commenter asked the FAA to drop enforcement of the recent change to Section 47.41(b)(3), which requires return of registration certificates within 21 days of termination of registration. This requirement creates a labor-intensive chore when a fleet of aircraft changes hands.

The FAA rejects the commenter’s suggestion. The 21 days allowed for the return of an ineffective registration certificate provides a definite and reasonable timeframe to take this action. However, to avoid creating any additional burden, this final rule has

changed § 47.41(b)(3) to direct the holder to destroy an expired registration certificate rather than return it to the FAA.

One commenter suggested moving the “Sale Reported” time limit from § 47.15(i)(4) to § 47.35, Aircraft Last Previously Registered in the United States. This would enable a new owner to see at a glance what their certificate requirements are.

The FAA has determined that § 47.15(i), which addresses the 6-month interval between filing an aircraft “Sale Reported” notice and N-number cancellation, is in the appropriate location. Section 47.35 refers the reader to § 47.15 and other sections with which the new owner must comply. Owners are encouraged to review all of part 47 to ensure compliance with registration regulations.

One commenter suggested that an N-number assignment for aircraft entering or re-entering the U.S. registration system should be valid for 180 days instead of the 90 days presently allowed.

The FAA does not agree. These assignments are made to aircraft that are entering the U.S. registration system and need an N-number to place on their application and supporting documentation. Time is needed only for entering the N-number on their documents, delivering them to the Registry, and for registration processing time. If a delay arises that is out of the applicant’s control, the applicant may apply for an extension. Because these aircraft may not operate until a registration certificate is issued, these applications receive priority processing. If a longer lead time is needed, the owner is encouraged to reserve an N-number and make application for assignment at the appropriate time.

One commenter, both a pilot and air traffic controller, cautions that under no circumstances should a controller be concerned with Part 47, nor should an aircraft in flight be denied air traffic service and support.

This rule concerns re-registration, registration, and renewal of aircraft registration certificates. It is not intended to address air traffic control issues.

Several commenters suggested the FAA should require re-registration and renewal applicants to report total airframe flight hours from a specific date with an estimated breakdown of that time by primary mission areas or types of operation. The data collected would enhance safety research and measurement of safety improvement.

This suggestion is beyond the scope of this final rule.

One commenter, an aviation parts provider and Supplemental Type Certificate holder, requests that a primary key be assigned to aircraft records available for download from the Registry's web site. This would enable data users to track individual records through successive downloads even if N-numbers, model names, or serial numbers change and track which of their products are in use on these aircraft. Similar benefits would be available to manufacturers, government, and law enforcement agencies depending on their applications.

Although this suggestion is beyond the scope of this final rule, it will be forwarded to the appropriate FAA organization for consideration.

One commenter proposed revising § 47.33(a)(2) to allow use of an invoice from a kit manufacturer as evidence of ownership equal to a bill of sale.

This proposal is beyond the scope of this rule. Section 47.33(b) provides an alternative method of establishing aircraft ownership.

One commenter proposed replacing the annual inspection requirement for noncommercial aircraft with an inspection requirement based on a combination of flight hours and time since last inspection. The longest interval before inspection would be 3 years. This would save time and money for the many aircraft owners of low use aircraft without affecting safety.

This proposal is beyond the scope of this rule. The commenter may submit this proposal as its own project in accord with CFR 14 Part 11 Basic Rulemaking Procedures.

One commenter representing a finance company disagreed with the need for additional disclosures in financing documents. The current level of required exposure allows competitors to undercut each others deals, reducing income margins for finance companies.

This proposal is beyond the scope of this rule.

VI. Rulemaking Notices and Analyses

A. Paperwork Reduction Act

As required by the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)), the FAA submitted a copy of the new information collection requirements in this final rule to the Office of Management and Budget (OMB) for its review. OMB assigned OMB Control Number 2120-0729. 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.

A description of the annual burden is shown below.

Description of Respondents: The likely respondents to the information requirements in this final rule are all aircraft owners who want to continue registration past the expiration date on their Certificate. The FAA estimates the number of renewals will be 65,719 annually; however, the number of aircraft owners and the signature requirements for each aircraft vary depending on the registration type (e.g., individual, partnership, government, or co-ownership).

Estimated Burden: Over 20 years, the FAA estimates 1,308,873 forms will be processed. Of these forms, 191,652 will be for re-registration and 1,117,221 will be for renewal. As described in the Regulatory Evaluation, the FAA estimates its own processing costs will be \$9.10 and \$5.82, respectively, per form. Over 20 years, these costs sum to \$8,246,259.42 (calculation: 191,652 times \$9.10 plus 1,117,221 times \$5.82), for an annual cost of \$412,312.97 (calculation: \$8,246,259.42 divided by 20). The FAA estimates that it will take 0.185 hours to process each re-registration form and 0.122 hours to process each renewal form. This difference comes from the FAA's assumption that the percentage of owners making application on the internet will increase in later years, lowering the processing time for renewals. Over 20 years, the time to process all the re-registration and the renewals forms equals 35,455.62 ($35,455.62 = .185 \times 191,652$) hours and 136,300.98 ($136,300.98 = .122 \times 1,117,221$) hours respectively, for a total burden of 171,756.60 hours, and an average annual burden of 8,587.83 hours.

B. International Compatibility

In keeping with U.S. obligations under the Convention on International Civil Aviation, it is FAA policy to conform to International Civil Aviation Organization

(ICAO) Standards and Recommended Practices to the maximum extent practicable. The FAA has reviewed the corresponding ICAO Standards and Recommended Practices.

ICAO Standards set forth a model registration certificate. The FAA's certificate of registration will exceed the standards in that model because it will include an expiration date.

C. Regulatory Evaluation, Regulatory Flexibility Determination, International Trade Impact Assessment, and Unfunded Mandates Assessment

Regulatory Flexibility Determination

Changes to Federal regulations must undergo several economic analyses. First, Executive Order 12866 directs that each Federal agency shall propose or adopt a regulation only upon a reasoned determination that the benefits of the intended regulation justify its costs. Second, the Regulatory Flexibility Act of 1980 (Public Law 96-354) requires agencies to analyze the economic impact of regulatory changes on small entities. Third, the Trade Agreements Act (Public Law 96-39) prohibits agencies from setting standards that create unnecessary obstacles to the foreign commerce of the United States. In developing U.S. standards, this Trade Act requires agencies to consider international standards and, where appropriate, that they be the basis of U.S. standards. Fourth, the Unfunded Mandates Reform Act of 1995 (Public Law 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 likely to result in the expenditure by State, local, or tribal governments, in the aggregate, or by the private sector, of \$100 million or more annually (adjusted for inflation with base year of 1995). This portion of the preamble summarizes the FAA's analysis of the economic impacts of this final rule. We suggest readers

seeking greater detail read the full regulatory evaluation, a copy of which we have placed in the docket for this rulemaking.

In conducting these analyses, FAA has determined that this rule: (1) has benefits that justify its costs, (2) is not an “economically significant regulatory action” but is a “significant regulatory action” for other reasons as defined in section 3(f) of Executive Order 12866, (3) is “significant” as defined in DOT's Regulatory Policies and Procedures; (4) will not have a significant economic impact on a substantial number of small entities; (5) will not create unnecessary obstacles to the foreign commerce of the United States; and (6) will not impose an unfunded mandate on state, local, or tribal governments, or on the private sector by exceeding the threshold identified above. These analyses are summarized below.

Summary

Total Costs and Benefits of this Rulemaking

Summary Of Costs and Benefits in Millions of 2007 Dollars (over 20 years)			
	Cost	Present Value Of Cost	Benefit:
Re-registration and 3-Year Renewal (Triennial Eliminated)	\$29.9	\$16.3	Reduction in Error Rate by 31%

This rule will mandate that all aircraft owners reregister their aircraft over a 3-year period, and then renew these registrations on a 3-year basis. Total estimated costs, over 20 years is \$29.9 million (\$16.3 million, present value). These costs include both the costs to aircraft owners as well as processing costs for the Civil Aircraft Registry and include costs savings from the elimination of the Triennial Program.

The primary benefit of this rulemaking will be the increased accuracy of the records within the Aircraft Registry. Currently, approximately one third of registered aircraft

information is incorrect. The FAA has concluded that the level of accuracy in the system of records must be significantly improved in order to better serve the needs of the users of the system as well as support its own operations. Benefits will accrue from improving the database as well as improving the data collection process.

Who is Potentially Affected by this Rulemaking

Private Sector

There are currently about 357,000 registered aircraft, of which about 241,000 are active aircraft. The FAA expects about 245,000 aircraft to reregister and then, every 3 years, renew their certificate. The FAA also expects between an additional 3,424 new aircraft to register each year.

Government

This rule will increase the workload on the Civil Aviation Registry, which will have to process an additional 1.3 million renewal and registration certificates over a 20-year period. However, this additional work will be partially offset by the elimination of the Triennial Aircraft Registration Program.

Our Cost Assumptions and Sources of Information

- *Discount rate – 7%;*
- *Period of analysis – 2010 through 2029;*
- All monetary values are expressed in 2007 dollars;
- The FAA based projections on a 1.4% annual growth rate
- The FAA will use the following unit costs:
 - a) \$5 – fee per aircraft for both re-registration and renewal
 - b) \$37.20 – hourly rate of an aircraft owner’s time

- c) \$9.10 – FAA processing costs for re-registration per applicant
- d) \$5.82 – FAA processing costs for renewal per applicant
- e) \$1.63 – FAA processing costs for the Triennial Program for each notice sent
- f) \$16.80 – FAA processing costs for the Triennial Program per reply

Benefits of this Rulemaking

The primary benefit of this rulemaking will be the increased accuracy of the records within the Aircraft Registry. Currently, over one third of registered aircraft information is incorrect. Inaccurate records have many negative consequences. For example, FAA uses aircraft records to identify owners of specific aircraft so that safety related information, such as airworthiness directives (ADs), can be delivered to those owners, but because of inaccuracies, many safety-related mailings are returned without delivery. Aircraft manufacturers also use aircraft records for the same reasons, to send out safety-related information. Law enforcement and security agencies rely upon FAA's aircraft records to identify and locate owners of aircraft.

The FAA has concluded that the level of accuracy in the system of records must be significantly improved in order to better serve the needs of the users of the system as well as support its own operations. Specifically, benefits will accrue from improving the database as well as improving the data collection process. The benefits from improving the Registry database include cost savings, better service for aircraft owners, and help with law enforcement. The benefits to be realized by improving the data collection process also include cost savings as well as a more accurate response rate.

Costs of this Rulemaking

This rulemaking requires that all aircraft owners will have to re-register their aircraft during a 3-year period, that all aircraft registrations will need to be renewed every 3 years, and that the present Triennial Program is eliminated in its entirety.

The FAA estimates that approximately 244,600 aircraft will each go through the re-registration process, and so will be issued a new registration certificates. Following re-registration aircraft will renew their registration every 3 years. In calculating the costs of the rule, the FAA counts the number of aircraft transactions that result from either re-registration or renewal. Moreover, FAA did not include the cost of normal course of business registrations and the \$5 fee because the fee is an economic transfer. These costs are recognized in a separate section in the rule but are not included in the total cost of the rule.

The FAA estimates that over 20 years the Registry will process 1.3 million certificate actions, composed of re-registration and renewal. However, the Registry will achieve cost savings with the elimination of the Triennial Program. Over 20 years, the rule replaces the current system with a 3-year re-registration program, followed by a 3-year renewal cycle that is estimated to cost \$29.9 million (\$16.3 million, present value).

Final Regulatory Flexibility Determination

The Regulatory Flexibility Act of 1980 (Public Law 96-354) (RFA) establishes “as a principle of regulatory issuance that agencies shall endeavor, consistent with the objectives of the rule and of applicable statutes, to fit regulatory and informational requirements to the scale of the businesses, organizations, and governmental jurisdictions subject to regulation. To achieve this principle, agencies are required to solicit and consider flexible regulatory proposals and to explain the rationale for their actions to

assure that such proposals are given serious consideration.” The RFA covers a wide-range of small entities, including small businesses, not-for-profit organizations, and small governmental jurisdictions.

Agencies must perform a review to determine whether a rule will have a significant economic impact on a substantial number of small entities. If the agency determines that it will, the agency must prepare a regulatory flexibility analysis as described in the RFA.

However, if an agency determines that a rule is not expected to have a significant economic impact on a substantial number of small entities, section 605(b) of the RFA provides that the head of the agency may so certify and a regulatory flexibility analysis is not required. The certification must include a statement providing the factual basis for this determination, and the reasoning should be clear.

This final rule will affect all aircraft owners, through part 47, as all aircraft owners will be required to reregister and then periodically renew their aircraft. There will be a substantial number of small entities. However, the cost to small entities will be negligible. The total cost per certificate to an aircraft owner is about \$24, which includes the value of time to complete the form plus the \$5 registration fee. An aircraft owner will renew his or her certificate, on average, six more times over a 20-year period for a total of seven certificate actions. Seven certificate actions will result in costs of \$168 over 20 years for an average cost of \$8 per year. In addition, the FAA did not receive comments on the regulatory flexibility analysis. Therefore, as Administrator of the FAA, I certify that this final rule will not have a significant economic impact on a substantial number of small entities.

International Trade Analysis

The Trade Agreements Act of 1979 (Public Law 96-39), as amended by the Uruguay Round Agreements Act (Public Law 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 will have only a domestic impact and therefore will not create unnecessary obstacles to the foreign commerce of the United States.

Unfunded Mandates Assessment

Title II of the Unfunded Mandates Reform Act of 1995 (the Act) requires each Federal agency to prepare a written statement assessing the effects of any Federal mandate in a proposed or final agency rule that may result in an expenditure of \$100 million or more (adjusted annually for inflation) in any one year by State, local, and tribal governments, in the aggregate, or by the private sector; such a mandate is deemed to be a “significant regulatory action.” The FAA currently uses an inflation-adjusted value of \$143.1 million in lieu of \$100 million.

This rule does not contain such a mandate. The requirements of Title II do not apply.

D. 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, does not have federalism implications.

E. Environmental Analysis

FAA Order 1050.1E identifies FAA actions that are categorically excluded from preparation of an environmental assessment or environmental impact statement under the National Environmental Policy Act in the absence of extraordinary circumstances. The FAA has determined this rulemaking action qualifies for the categorical exclusion identified in paragraph 312(d) and involves no extraordinary circumstances.

F. Regulations that Significantly Affect Energy Supply, Distribution, or Use

The FAA has 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 regulatory action” under the executive order because, while a “significant regulatory action” under Executive Order 12866, and DOT’s Regulatory Policies and Procedures, it is not likely to have a significant adverse effect on the supply, distribution, or use of energy.

G. Availability of Rulemaking Documents

You can get an electronic copy of rulemaking documents using the Internet by—

1. Searching the Federal eRulemaking Portal (<http://www.regulations.gov>);

2. Visiting the FAA's Regulations and Policies Web page at http://www.faa.gov/regulations_policies/; or
3. Accessing the Government Printing Office's Web page at <http://www.gpoaccess.gov/fr/index.html>.

You can also get a copy 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) 267-9680. Make sure to identify the amendment number or docket number of this rulemaking.

Anyone is able to search the electronic form of all comments received into any of The FAA's dockets by the name of the individual submitting the comment (or signing the comment, if submitted on behalf of an association, business, labor union, etc.). You may review DOT's complete Privacy Act statement in the Federal Register published on April 11, 2000 (Volume 65, Number 70; Pages 19477-78) or you may visit <http://DocketsInfo.dot.gov>.

H. 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. If you are a small entity and you have a question regarding this document, you may contact your local FAA official, or the person listed under the FOR FURTHER INFORMATION CONTACT heading at the beginning of the preamble. You can find out more about SBREFA on the Internet at http://www.faa.gov/regulations_policies/rulemaking/sbre_act/.

List of Subjects

14 CFR Part 13

Administrative practice and procedure, air transportation, Investigations, Law enforcement, Penalties.

14 CFR Part 47

Aircraft, Reporting and recordkeeping requirements.

14 CFR Part 91

Aircraft.

The Amendment

In consideration of the foregoing, the Federal Aviation Administration amends Chapter I of Title 14, Code of Federal Regulations as follows:

PART 13—INVESTIGATIVE AND ENFORCEMENT PROCEDURES

1. The authority citation for part 13 continues to read as follows:

Authority: 18 U.S.C. 6002; 28 U.S.C. 2461 (note); 49 U.S.C. 106(g), 5121–5128, 40113–40114, 44103–44106, 44702–44703, 44709–44710, 44713, 46101–46111, 46301, 46302 (for a violation of 49 U.S.C. 46504), 46304–46316, 46318, 46501–46502, 46504–46507, 47106, 47107, 47111, 47122, 47306, 47531–47532; 49 CFR 1.47.

2. Revise the fourth sentence of paragraph (b) of § 13.19 to read as follows:

§ 13.19 Certificate action.

* * * * *

(b) * * * If the Administrator finds that any aircraft registered under Part 47 of this chapter is ineligible for registration, the Administrator issues an order suspending or revoking that certificate. * * *

* * * * *

3. Revise paragraph (a) of § 13.27 to read as follows:

§ 13.27 Final order of Hearing Officer in certificate of aircraft registration proceedings.

(a) If, in proceedings under section 501(b) of the Federal Aviation Act of 1958 (49 USC 1401), the Hearing Officer determines that the aircraft is ineligible for a Certificate of Aircraft Registration, the Hearing Officer shall suspend or revoke the respondent's certificate, as proposed in the notice of proposed certificate action.

* * * * *

PART 47—AIRCRAFT REGISTRATION

4. The authority citation for part 47 continues to read as follows:

Authority: 4 U.S.T. 1830; Pub. L. 108-297, 118 Stat. 1095 (49 U.S.C. 40101 note, 49 U.S.C. 44101 note); 49 U.S.C. 106(g), 40113-40114, 44101-44108, 44110-44113, 44703-44704, 44713, 45302, 46104, 46301.

Part 47 [Nomenclature change]

5. Amend 14 CFR part 47 by removing the words “FAA Aircraft Registry” and “FAA Registry” wherever they appear and adding, in their place, the word “Registry”.

§§ 47.5, 47.7, 47.9, 47.11, 47.35, and 47.37 [Amended]

6. Amend 14 CFR part 47 by removing the words “Application for Aircraft Registration” and “application” and adding, in their place, the words “Aircraft Registration Application, AC Form 8050-1” in the following places:

a. §47.5(a)

- b. §47.7(a)
- c. §47.9(a) introductory text
- d. §47.11 (introductory text)
- e. §47.35(a) introductory text
- f. §47.37(a)(2)

§§ 47.5, 47.7, and 47.11 [Amended]

7. Amend 14 CFR part 47 by removing the words “Application for Aircraft Registration” and “application” and adding, in their place, the words “Aircraft Registration Application” in the following places:

- a. §47.5(c)
- b. § 47.7(c)(2) introductory text
- c. § 47.11(h)

§§ 47.5, 47.7, 47.8, 47.11, 47.31, and 47.43 [Amended]

8. Amend 14 CFR part 47 by removing the words “Certificate of Aircraft Registration” and “registration certificate” and adding in their place, the words “Certificate of Aircraft Registration, AC Form 8050-3” in the following places:

- a. §47.5(c)
- b. §47.7(d) introductory text
- c. §47.8(c)
- d. §47.11(e)
- e. §47.31(a) introductory text
- f. §47.43 (b)

§§ 47.9, 47.33, and 47.35 [Amended]

9. Amend 14 CFR part 47 by removing the word “Administrator” and adding, in its place, the word “FAA” in the following places:

- a. §47.9(e)
- b. § 47.33(b) and 47.33(d)
- c. § 47.35(b)

10. Revise § 47.1 to read as follows:

§ 47.1 Applicability.

This part prescribes the requirements for registering aircraft under 49 U.S.C. 44101-44104. Subpart B applies to each applicant for, and holder of, a Certificate of Aircraft Registration, AC Form 8050-3. Subpart C applies to each applicant for, and holder of, a Dealer’s Aircraft Registration Certificate, AC Form 8050-6.

11. Amend § 47.2 by adding the definition of “Registry” in alphabetical order and by revising paragraphs (2) and (3) of the definition of “U.S. citizen” to read as follows:

§ 47.2 Definitions.

* * * * *

Registry means the FAA, Civil Aviation Registry, Aircraft Registration Branch.

* * * * *

U.S. citizen * * *

(2) A partnership each of whose partners is an individual who is a citizen of the United States.

(3) A corporation or association organized under the laws of the United States or a State, the District of Columbia, or a territory or possession of the United States, of which

the president and at least two-thirds of the board of directors and other managing officers are citizens of the United States, which is under the actual control of citizens of the United States, and in which at least 75 percent of the voting interest is owned or controlled by persons that are citizens of the United States.

12. Amend § 47.3 by:

- a. Removing the citation “§ 47.31(b)” where it appears in paragraph (b)(2) and adding in its place the citation “§ 47.31(c)”; and
- b. Revising paragraph (a) to read as follows:

§ 47.3 Registration required.

(a) An aircraft may be registered under 49 U.S.C. 44103 only when the aircraft is not registered under the laws of a foreign country and is-

(1) Owned by a citizen of the United States;

(2) Owned by an individual citizen of a foreign country lawfully admitted for permanent residence in the United States;

(3) Owned by a corporation not a citizen of the United States when the corporation is organized and doing business under the laws of the United States or a State within the United States, and the aircraft is based and primarily used in the United States;

or

(4) An aircraft of-

(i) The United States Government; or

(ii) A State, the District of Columbia, a territory or possession of the United States, or a political subdivision of a State, territory, or possession.

* * * * *

13. Revise the first sentence of § 47.7(d) introductory text to read as follows:

§ 47.7 United States citizens and resident aliens.

* * * * *

(d) Partnerships. A partnership may apply for a Certificate of Aircraft Registration, AC Form 8050-3, under 49 U.S.C. 44102 only if each partner, whether a general or limited partner, is an individual who is a citizen of the United States. * * *

* * * * *

§ 47.8 [Amended]

14. Amend § 47.8(c) by removing the citation “§ 47.41(a)(5)” and adding, in its place, the citation “§ 47.41(a)(3)”.

§ 47.11 [Amended]

15. Amend § 47.11(b)(1) by removing the words “certificate of repossession on FAA Form 8050-4” and adding, in its place, the words “Certificate of Repossession of Encumbered Aircraft, FAA Form 8050-4”.

16. Amend § 47.13 by revising paragraphs (a) through (f) to read as follows:

§ 47.13 Signatures and instruments made by representatives.

(a) Each person signing an Aircraft Registration Application, AC Form 8050-1, or a document submitted as supporting evidence under this part, must sign in ink or by other means acceptable to the FAA. If signed in ink, the Aircraft Registration Application must also have the typed or legibly printed name of each signer in the signature block.

(b) When one or more persons doing business under a trade name submits an Aircraft Registration Application, a document submitted as supporting evidence under this part, or a request for cancellation of a Certificate of Aircraft Registration, AC Form

8050-3, the application, document, or request must be signed by, or on behalf of, each person who shares title to the aircraft.

(c) When an agent submits an Aircraft Registration Application, a document submitted as supporting evidence under this part, or a request for cancellation of a Certificate of Aircraft Registration, on behalf of the owner, that agent must-

(1) State the name of the owner on the application, document, or request;

(2) Sign as agent or attorney-in-fact on the application, document, or request;

and

(3) Submit a signed power of attorney, or a true copy thereof certified under § 49.21 of this chapter, with the application, document, or request.

(d) When a corporation submits an Aircraft Registration Application, a document submitted as supporting evidence under this part, or a request for cancellation of a Certificate of Aircraft Registration, it must-

(1) Have an authorized person sign, by means acceptable to the FAA, the application, document, or request;

(2) Show the title of the signer's office on the application, document, or request;

and

(3) Submit a copy of the authorization from the board of directors to sign for the corporation, certified as true under § 49.21 of this chapter by a corporate officer or other person in a managerial position therein, with the application, document, or request, unless--

(i) The signer of the application, document, or request is a corporate officer or other person in a managerial position in the corporation and the title of his office is stated in connection with his signature; or

(ii) A valid authorization to sign is on file at the Registry.

(4) The provisions of paragraph (d)(3) of this section do not apply to an irrevocable deregistration and export request authorization when an irrevocable deregistration and export request authorization under the Cape Town Treaty is signed by a corporate officer and is filed with the Registry.

(e) When a partnership submits an Aircraft Registration Application, a document submitted as supporting evidence under this part, or a request for cancellation of a Certificate of Aircraft Registration, it must--

(1) State the full name of the partnership on the application, document, or request;

(2) State the name of each general partner on the application, document, or request; and

(3) Have a general partner sign the application, document, or request.

(f) When co-owners, who are not engaged in business as partners, submit an Aircraft Registration Application, a document submitted as supporting evidence under this part, or a request for cancellation of a Certificate of Aircraft Registration, each person who shares title to the aircraft under the arrangement must sign the application, document, or request.

* * * * *

17. Amend § 47.15 by:

- a. Removing the word “identification” wherever it appears, including the section heading, and adding, in its place the word “registration”;
- b. Revising paragraphs (a) introductory text, (a)(2), (c), the first sentence of paragraph (d), and (f);
- c. Redesignating the undesignated paragraph following paragraph (a)(3) as (a)(4) and revising it; and
- d. Adding paragraphs (i) and (j) to read as set forth below.

§ 47.15 Registration number.

(a) Number required. An applicant for aircraft registration must place a U.S. registration number (registration mark) on the Aircraft Registration Application, AC Form 8050-1, and on any evidence submitted with the application. There is no charge for the assignment of numbers provided in this paragraph. This paragraph does not apply to an aircraft manufacturer who applies for a group of U.S. registration numbers under paragraph (c) of this section; a person who applies for a special registration number under paragraphs (d) through (f) of this section; or a holder of a Dealer’s Aircraft Registration Certificate, AC Form 8050-6, who applies for a temporary registration number under § 47.16.

* * * * *

(2) Aircraft last previously registered in the United States. Unless the applicant applies for a different number under paragraphs (d) through (f) of this section, the applicant must place the U.S. registration number that is already assigned to the aircraft on the Aircraft Registration Application, and the supporting evidence. If there is no number assigned, the applicant must obtain a U.S. registration number from the Registry

by making a written request that describes the aircraft by make, model, and serial number.

* * * * *

(4) Duration of a U.S. registration number assignment. Authority to use the registration number obtained under paragraph (a)(1), (2), or (3) of this section expires 90 days after the date it is issued unless the applicant submits an Aircraft Registration Application and complies with § 47.33 or § 47.37, as applicable, within that period of time. However, the applicant may obtain an extension of this 90-day period from the Registry if the applicant shows that the delay in complying with that section is due to circumstances beyond the applicant's control.

* * * * *

(c) An aircraft manufacturer may apply to the Registry for enough U.S. registration numbers to supply estimated production for the next 18 months. There is no charge for this allocation of numbers.

(d) Any available, unassigned U.S. registration number may be assigned as a special registration number. * * *

* * * * *

(f) The Registry authorizes a special registration number change on the Assignment of Special Registration Numbers, AC Form 8050-64. The authorization expires one year from the date the Registry issues an Assignment of Special Registration Numbers unless the special registration number is permanently placed on the aircraft. Within five days after the special registration number is placed on the aircraft, the owner must complete and sign the Assignment of Special Registration Numbers, state the date

the number was placed on the aircraft, and return the original form to the Registry. The duplicate of the Assignment of Special Registration Numbers and the present Certificate of Aircraft Registration, AC Form 8050-3, must be carried in the aircraft as temporary authority to operate it. This temporary authority is valid until the date the owner receives the revised Certificate of Aircraft Registration showing the new registration number, but in no case is it valid for more than 120 days from the date the number is placed on the aircraft.

* * * * *

(i) When aircraft registration has ended, as described in § 47.41(a), the assignment of a registration number to an aircraft is no longer authorized for use except as provided in § 47.31(c) and will be cancelled:

(1) Following the date established in § 47.40(a)(1) for any aircraft that has not been re-registered under § 47.40(a);

(2) Following the expiration date shown on the Certificate of Aircraft Registration for any aircraft whose registration has not been renewed under § 47.40(c);

(3) Following the expiration date shown on the Dealer's Aircraft Registration Certificate, AC Form 8050-6, for any aircraft registered under Subpart C of this part, when the certificate has not been renewed, and the owner has not applied for registration in accordance with § 47.31; or

(4) When ownership has transferred-

(i) Six months after first receipt of notice of aircraft sale or evidence of ownership from the last registered owner or successive owners, and an Aircraft Registration Application has not been received.

(ii) Six months after evidence of ownership authorized under § 47.67 has been submitted, and the applicant has not met the requirements of this part.

(iii) Twelve months after a new owner has submitted evidence of ownership and an Aircraft Registration Application under § 47.31, and the applicant or a successive applicant has not met the requirements of this part.

(j) At the time an assignment of registration number is cancelled, the number may be reserved for one year in the name of the last owner of record if a request has been submitted with the fee required by § 47.17. If the request for reservation and fee are not submitted prior to cancellation, the registration number is unavailable for assignment for a period of five years.

§ 47.16 [Amended]

18. Amend § 47.16(a) by removing the words “Dealer’s Aircraft Registration Certificates” and adding, in their place, the words “Dealer’s Aircraft Registration Certificates, AC Form 8050-6,”.

19. Amend § 47.17 by revising paragraphs (a)(4), (a)(5), and (a)(6) and adding paragraph (a)(7) as set forth below:

§ 47.17 Fees.

(a) * * *

(4) Special registration number (each number)	10.00
(5) To change, reassign, or reserve a registration number	10.00
(6) Replacement Certificate of Aircraft	2.00

Registration	
(7) Re-registration or Renewal Certificate of Aircraft Registration	5.00

* * * * *

20. Amend § 47.31 as follows:

a. Revise paragraph (a)(1) to read as set forth below;

b. Remove the words “Aircraft Bill of Sale, ACC Form 8050-2” where they appear in paragraph (a)(2), and add, in their place, the words “Aircraft Bill of Sale, AC Form 8050-2”;

c. Revise paragraph (c) to read as set forth below; and

d. Remove paragraph (d).

The revisions read as follows:

§ 47.31 Application.

(a) * * *

(1) An Aircraft Registration Application, AC Form 8050-1, signed by the applicant in the manner prescribed by §47.13;

* * * * *

(c) After compliance with paragraph (a) of this section, the applicant for registration of an aircraft last previously registered in the United States must carry the second copy of the Aircraft Registration Application in the aircraft as temporary authority to operate without registration.

(1) This temporary authority is valid for operation within the United States until

the date the applicant receives the Certificate of Aircraft Registration or until the date the FAA denies the application, but in no case for more than 90 days after the date the applicant signs the application. If by 90 days after the date the applicant signs the Aircraft Registration Application, the FAA has neither issued the Certificate of Aircraft Registration nor denied the application, the Registry will issue a letter of extension that serves as authority to continue to operate the aircraft without registration while it is carried in the aircraft.

(2) This temporary authority is not available in connection with any Aircraft Registration Application received when 12 months have passed since the receipt of the first application following transfer of ownership by the last registered owner.

(3) If there is no registration number assigned at the time application for registration is made, the second copy of the Aircraft Registration Application may not be used as temporary authority to operate the aircraft.

21. Amend § 47.33 by removing the word “identification” where it appears in paragraph (c), and adding, in its place, the word “registration”; and revising paragraph (a)(2) to read as follows:

§ 47.33 Aircraft not previously registered anywhere.

(a) * * *

(2) Submits with his Aircraft Registration Application, AC Form 8050-1, an Aircraft Bill of Sale, AC Form 8050-2, signed by the seller, an equivalent bill of sale, or other evidence of ownership authorized by § 47.11.

* * * * *

22. Revise § 47.39 to read as follows:

§ 47.39 Effective date of registration.

An aircraft is registered on the date the Registry determines that the submissions meet the requirements of this part. The effective date of registration is shown by a date stamp on the Aircraft Registration Application, AC Form 8050-1, and as the date of issue on the Certificate of Aircraft Registration, AC Form 8050-3.

23. Add § 47.40 to read as follows:

§ 47.40 Registration expiration and renewal.

(a) *Re-registration.* Each aircraft registered under this part before October 1, 2010, must be re-registered in accordance with this paragraph (a).

(1) A Certificate of Aircraft Registration issued before October 1, 2010, expires on the expiration date identified in the following schedule that corresponds with the month in which the certificate was issued.

<i>If the Certificate was issued in:</i>	<i>The certificate expires on:</i>	<i>The owner must apply for re-registration between these dates, - to allow delivery of the new certificate before expiration.</i>
March of any year	March 31, 2011	November 1, 2010 and January 31, 2011
April of any year	June 30, 2011	February 1, 2011 and April 30, 2011
May of any year	September 30, 2011	May 1, 2011 and July 31, 2011
June of any year	December 31, 2011	August 1, 2011 and October 31, 2011
July of any year	March 31, 2012	November 1 2011 and January 31, 2012
August of any year	June 30, 2012	February 1, 2012 and April 30, 2012
September of any year	September 30, 2012	May 1, 2012 and July 31, 2012
October of any year	December 31, 2012	August 1, 2012 and October 31, 2012
November of any year	March 31 2013	November 1 2012 and January 31, 2013
December of any year	June 30, 2013	February 1, 2013 and April 30, 2013
January of any year	September 30, 2013	May 1, 2013 and July 31, 2013
February of any year	December 31, 2013	August 1, 2013 and October 31, 2013

(2) Each holder of a Certificate of Aircraft Registration, AC Form 8050-3, issued before October 1, 2010, must submit an Application for Aircraft Re-registration, AC Form 8050-1A, and the fee required by §47.17, between October 1, 2010, and December 31, 2013, according to the schedule in paragraph (a)(1) of this section.

(3) A Certificate of Aircraft Registration issued under this paragraph expires three years after the last day of the month in which it is issued.

(b) *Initial Registration.* A Certificate of Aircraft Registration issued in accordance with § 47.31 expires three years after the last day of the month in which it is issued.

(c) *Renewal.* Each holder of a Certificate of Aircraft Registration, AC Form 8050-3, containing an expiration date may apply for renewal by submitting an Application for Aircraft Registration Renewal, AC Form 8050-1B, and the fee required by §47.17 during the six months preceding the expiration date. A certificate issued under this paragraph expires three years from the expiration date of the previous certificate.

24. Amend § 47.41 by--

a. Removing paragraphs (a)(2) and (a)(4);

b. Redesignating paragraph (a)(3) as (a)(2) and paragraphs (a)(5) through (a)(9) as paragraphs (a)(3) through (a)(7);

c. Removing the semi-colon at the end of paragraphs (a)(1) through (a)(4) and adding in their place a period, and removing the phrase “; or” at the end of newly redesignated paragraph (a)(5) and adding, in its place, a period; and

d. Revising the introductory text of paragraph (a), revising paragraph (b)(3), and adding paragraph (b)(4) to read as follows:

§ 47.41 Duration and return of Certificate.

(a) Each Certificate of Aircraft Registration, AC Form 8050-3, issued by the FAA under this subpart is effective, unless registration has ended by reason of having been

revoked, canceled, expired, or the ownership is transferred, until the date upon which one of the following events occurs:

* * * * *

(b) * * *

(3) Within 21 days of the termination of the registration, by the holder of the Certificate of Aircraft Registration in all other cases mentioned in paragraph (a) of this section, except in the case of expired certificates, the holder must destroy the expired certificate.

(4) If the certificate is not available for return, as directed in paragraph (b) of this section, a statement describing the aircraft and stating the reason the certificate is not available must be submitted to the Registry within the time required by paragraph (b) of this section.

25. Revise § 47.43(b) to read as follows:

§ 47.43 Invalid registration.

* * * * *

(b) If the registration of an aircraft is invalid under paragraph (a) of this section, the holder of the invalid Certificate of Aircraft Registration, AC Form 8050-3, must return it as soon as possible to the Registry.

26. Revise § 47.45 to read as follows:

§ 47.45 Change of address.

Within 30 days after any change in a registered owner's mailing address, the registered owner must notify the Registry in writing of the change of address. If a post office box or mailing drop is used for mailing purposes, the registered owner also must

provide that owner's physical address or location. Upon acceptance, the Registry will issue, without charge, a revised Certificate of Aircraft Registration, AC Form 8050-3, reflecting the new mailing address. When a post office box or mailing drop is used for mailing purposes, and the registered owner's physical address or location changes, the registered owner must notify the Registry in writing of the new address or location within 30 days.

27. Amend § 47.47 by revising the introductory text of paragraph (a) and paragraph (a)(1) as follows:

§ 47.47 Cancellation of Certificate for export purpose.

(a) The holder of a Certificate of Aircraft Registration, AC Form 8050-3, or the holder of an irrevocable deregistration and export request authorization recognized under the Cape Town Treaty and filed with the FAA, who wishes to cancel the Certificate of Aircraft Registration for the purpose of export must submit to the Registry-

(1) A written request for cancellation of the Certificate of Aircraft Registration describing the aircraft by make, model, and serial number, and stating the U.S. registration number and the country to which the aircraft will be exported;

* * * * *

28. Revise § 47.49 to read as follows:

§ 47.49 Replacement of Certificate.

(a) If the original Certificate of Aircraft Registration, AC Form 8050-3, is lost, stolen, or mutilated, the registered owner may submit to the Registry a written request that states the reason a replacement certificate is needed and the fee required by § 47.17. The Registry will send a replacement certificate to the registered owner's

mailing address or to another mailing address if requested in writing by the registered owner.

(b) The registered owner may request a temporary Certificate of Aircraft Registration pending receipt of a replacement certificate. The Registry issues a temporary Certificate of Aircraft Registration in the form of a fax that must be carried in the aircraft until receipt of the replacement certificate.

§ 47.51 [Removed and Reserved]

29. Remove and reserve § 47.51.

30. Amend § 47.61 by—

a. Revising the section heading:

b. Removing the word “Dealers” from paragraph (b), and adding, in its place, the word “Dealer’s”; and

c. Revising the introductory text of paragraph (a) and paragraph (a)(2) and adding paragraph (c) to read as follows:

§ 47.61 Dealer’s Aircraft Registration Certificates.

(a) The FAA issues a Dealer’s Aircraft Registration Certificate, AC Form 8050-6, to U.S. manufacturers and dealers to--

* * * * *

(2) Facilitate operating, demonstrating, and merchandising aircraft by the manufacturer or dealer without the burden of obtaining a Certificate of Aircraft Registration, AC Form 8050-3, for each aircraft with each transfer of ownership, under Subpart B of this part.

* * * * *

(c) If the Dealer's Aircraft Registration Certificate expires under § 47.71, and an aircraft is registered under this Subpart, application for registration must be made under § 47.31, or the assignment of registration number may be cancelled in accordance with § 47.15(i)(3).

§ 47.63 [Amended]

31. Amend § 47.63(a) by removing the words "An Application for Dealers' Aircraft Registration Certificates" and adding, in their place, the words "A Dealer's Aircraft Registration Certificate Application".

32. Revise § 47.65 to read as follows:

§ 47.65 Eligibility.

To be eligible for a Dealer's Aircraft Registration Certificate, AC Form 8050-6, the applicant must have an established place of business in the United States, must be substantially engaged in manufacturing or selling aircraft, and must be a citizen of the United States, as defined by 49 U.S.C. 40102 (a)(15).

33. Revise § 47.67 to read as follows:

§ 47.67 Evidence of ownership.

Before using a Dealer's Aircraft Registration Certificate, AC Form 8050-6, for operating the aircraft, the holder of the certificate (other than a manufacturer) must send to the Registry evidence of ownership under § 47.11. An Aircraft Bill of Sale, AC Form 8050-2, or its equivalent, may be used as evidence of ownership. There is no recording fee.

§ 47.69 [Amended]

34. Amend § 47.69 by removing the words "Dealer's Aircraft Registration

Certificate” in the introductory text, and adding, in their place, the words “Dealer’s Aircraft Registration Certificate, AC Form 8050-6”.

35. Amend § 47.71 by--

a. Removing the words “Dealer’s Aircraft Registration Certificate” in paragraph (a), and adding, in their place, the words “Dealer’s Aircraft Registration Certificate, AC Form 8050-6,”; and

b. Revising paragraph (b) to read as follows:

§ 47.71 Duration of Certificate; change of status.

* * * * *

(b) The holder of a Dealer’s Aircraft Registration Certificate must immediately notify the Registry of any of the following—

- (1) A change of name;
- (2) A change of address;
- (3) A change that affects status as a citizen of the United States; or
- (4) The discontinuance of business.

PART 91—GENERAL OPERATING AND FLIGHT RULES

36. The authority citation for part 91 continues to read as follows:

Authority: 49 U.S.C. 106(g), 1155, 40103, 40113, 40120, 44101, 44111, 44701, 44704, 44709, 44711, 44712, 44715, 44716, 44717, 44722, 46306, 46315, 46316, 46504, 46506–46507, 47122, 47508, 47528–47531, articles 12 and 29 of the Convention on International Civil Aviation (61 Stat. 1180).

37. Amend § 91.203 by revising paragraph (a)(2) to read as follows:

§ 91.203 Civil aircraft: Certifications required.

(a) * * *

(2) An effective U.S. registration certificate issued to its owner or, for operation within the United States, the second copy of the Aircraft registration Application as provided for in § 47.31(c), or a registration certification issued under the laws of a foreign country.

* * * * *

Issued in Washington, DC, on July 9, 2010.

J. Randolph Babbitt,

Administrator

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