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November 2, 2011

The Honorable Joseph Lieberman
Chairman
Senate Homeland Security & Governmental Affairs
Committee
340 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Susan Collins
Ranking Member
Senate Homeland Security & Governmental Affairs
Committee
344 Dirksen Senate Office Building
Washington, DC 20510

Re: The Transportation Security Administration's Failure to Finalize Repair Station Security Rules is Stifling Growth and Job Creation

Chairman Lieberman and Ranking Member Collins:

The Aeronautical Repair Station Association's (ARSA) is concerned about the Transportation Security Administration (TSA) failure to finalize aviation repair station security rules and the impact the agency's inaction is having on the aviation maintenance industry.

VISION-100, the nation's last long-term aviation bill, required the TSA to issue security rules for all aviation repair stations by August 2004. When TSA failed to meet that deadline, lawmakers (in the 9/11 Recommendation Implementation Act) demanded the security regulations be completed by August 2008. The penalty for failure to comply: the Federal Aviation Administration (FAA) would be prohibited from issuing new foreign repair station certifications.

More than three years later, the TSA has failed to issue final repair station security regulations and the FAA is banned from issuing new foreign repair station certificates. U.S.-based aerospace companies are prevented from tapping into rapidly expanding overseas markets, stifling job creation and growth for an industry that contributes \$39 billion per year of total U.S. economic impact and employs over 274,600 U.S. workers.

ARSA recently completed an informal survey of aerospace companies to assess the impact that TSA's inaction and the ensuing foreign repair station certification prohibition is having on the industry. The result:

- **The ban is hurting small to medium-sized businesses.** Half (50 percent) of respondent companies employ fewer than 500 workers. Of these, an overwhelming majority (83 percent) are seeking to open new foreign repair stations.
- **Companies want to tap into rapidly expanding international aviation markets.** Three quarters of respondents (75 percent) indicated their company has an application for FAA foreign repair station certification pending or will submit an application when the moratorium is removed.
- **U.S. companies are losing revenue.** U.S.-based companies responding to the survey report they are losing more than \$18 million in combined revenues annually because of the FAA's inability to certificate new foreign repair stations.
- **The ban is stifling job growth.** Over half of respondents (55 percent) said their companies would hire new U.S.-based employees if they could obtain FAA foreign repair station certification. Two companies anticipated hiring more than 100 new U.S.-based employees.

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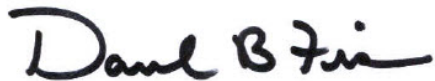
The results of ARSA's informal survey are clear: TSA's failure to finalize repair station security rules is preventing U.S. aviation companies from tapping into rapidly expanding overseas markets, hindering job creation and growth at home.

Given TSA's lack of progress toward finalizing repair station security rules, Congress must stop penalizing the aerospace industry and again allow the FAA to certificate new foreign repair stations. Prohibiting one federal agency (FAA) from doing its job because another (TSA) is ignoring congressional mandates is bad policy and doesn't work.

ARSA looks forward to working with you and members of the Senate Homeland Security & Governmental Affairs Committee to improve our aviation system's safety while also permitting the aviation maintenance industry's continued growth and job creation. The aviation sector should not be penalized because of TSA's failure to act. Congress must lift the ban on FAA foreign repair station certification immediately.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Daniel B. Fisher". The signature is written in a cursive, flowing style.

Daniel B. Fisher
Vice President of Legislative Affairs

cc: Senate Homeland Security & Governmental Affairs Committee Members
Senate Commerce, Science & Transportation Committee Members