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November 22, 2011

The Honorable John Pistole
Administrator
Transportation Security Administration
TSA-1
601 South 12th Street
Arlington, VA 20598

Re: TSA's Failure to Finalize Repair Station Security Rules is Hindering Growth

Dear Administrator Pistole:

I am writing on behalf of the Aeronautical Repair Station Association (ARSA) to express our concern about the Transportation Security Administration's (TSA) long-term failure to complete aviation repair station security rules and to urge the agency to finalize the regulations before year's end.

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 did not 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 to the U.S. economy 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. Survey results indicate:

- **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 hindering job creation and growth at home.

If finalizing repair station security rules before December 31 is impractical, ARSA urges you to work with Congress to remove the prohibition on foreign repair station certificates. The aviation sector should not continue to be penalized because of TSA's failure to act.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'C.A. Klein', written in a cursive style.

Christian A. Klein
Executive Vice President