



Aeronautical Repair Station Association

Legislative Day 2016



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It's All About You

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A View from Cruising Altitude

- Politics is trumping policy
- Members of Congress face tough primaries
- Presidential campaign overshadowing everything
- Limited legislative window, reaching point where leadership is happy to kick the can until post election
- However, there are enormous risks and opportunities

ARSA Legislative Priorities

- Refrain from implementing unnecessary regulatory mandates
- Reform the regulatory process
- Encourage BASAs
- Give the FAA the resources to do its job
- Invest in a skilled and dynamic aviation workforce
- Restore tax code certainty and simplicity.

FAA Reauthorization

- Every few years Congress is supposed to “reauthorize” the FAA to set policy direction, funding levels
- Last authorization expired on Sept. 30, extended until March 31
- New extension passed the House, likely considered by Senate soon until July 31

FAA Reauthorization-House

- In Feb., House T&I Republicans introduced the Aviation Innovation, Reform & Reauthorization Act (AIRR Act)
- Six year authorization
- Privatize Air Traffic Control by creating independent, non-profit corporation
- Board for ATC Corp includes U.S. air carriers, general aviation operators and the unions representing air traffic controllers and airline pilots)

FAA Reauthorization-Senate

- Last week, Senate CST leadership introduced the FAA Reauthorization Act of 2016
- More notable for what's not in it, than what is
- 18-month authorization
- No ATC privatization
- Reforms to certification process, regulatory standardization, etc.

Maintenance Provisions-D&A Testing

- Requires the agency to issue a notice of proposed rulemaking (NPRM) within 90 days of enactment and a final rule one year later.
- Arbitrary deadline considering no real safety issue
- Hurried rulemaking that forces FAA to circumvent procedural protections and possibly violate bilateral
- ICAO responsibility

Maintenance Provisions-Background Checks

- Requires all part 145 repair station employees performing safety-sensitive functions on an air carrier aircraft undergo “a pre-employment background investigation sufficient to determine whether the individual presents a threat to aviation safety.”
- Significantly expands TSA requirements
- Contrary to accepted risk-based principles
- Drive-up costs on small businesses

Maintenance Provisions-Background Checks

- Expand on the FAA Modernization & Reform Act's safety assessment system for part 145 repair stations
- Requires agency access to information or data in the possession of a part 121 air carrier “related to the frequency and seriousness of any corrective actions” implemented on aircraft following “heavy maintenance work” at a foreign repair station

FAA Reauthorization-Status

- House bill approved by committee awaiting floor action
- ARSA pressuring committee to remove maintenance provisions from underlying bill in manager's amendment
- Senate bill considered by CST today!
- Could see floor action in April
- Remember, process isn't over, it's only the beginning!

Career and Technical Education

- Carl D. Perkins CTE Act of 2006
 - \$1+ billion in federal funding to states, formula grants disbursed through state-level CTE boards
 - Overdue for reauthorization since 2013, operating on limited year-to-year funding
 - Board schedules/requirements, accountability measures and industry-partnership structures should be aligned with Workforce Innovation and Opportunity Act (WIOA – passed in 2014)
 - Not *just* an education bill...a workforce bill

2016 Economic Data

- Prepared by Oliver Wyman for ARSA
- Being released today at ARSA Capitol Hill luncheon
- Important because it underscores our industry's substantial economic footprint
- Used extensively by ARSA in media outreach, lobbying, regulatory comments, etc.
- Valuable in your Hill meetings because it helps put your company into a statewide, national, and international context

2016 Economic Data

- Key Findings:
 - Total U.S. repair station employment: 184,551
 - 8x more people working at repair stations than working at airlines as mechanics
 - Repair stations employ in every states, but airlines don't have mechanics in every state
 - Total U.S. aviation maintenance employment is 273,813 (repair stations, air carrier, and parts manufacturing/distribution)
 - Repair stations contribute \$20 billion to U.S. economy annually
 - Parts manufacturing/distribution accounts for \$23 billion in annual economic activity
 - Top ten states for MRO economic activity are: CA, AZ, WA, TX, CT, KS, GA, FL, IA, OH

Election 2016

- House likely to stay Republican; Senate up for grabs
- Enormous turnover in past two elections; lost institutional memory (positive and negative)
- Elections are important opportunity to educate about industry and economic impact
- ARSA PAC-industry speaks with one voice
- Personal engagement critical
- Facility Visits/Local Group Meetings

Capitol Hill Meetings

- Assume staff/lawmakers don't know anything about your company, your industry, etc.
- Use new economic data to illustrate economic impact of industry
- Stick to your top one or two issues
- Remember: You're the expert on your company
- Don't be afraid to say, "I don't know"
- Invite staff for a facility visit
- Don't discuss campaign contributions
- Get two cards from everyone with whom you meet
- Follow up next week and throughout the year

Questions?



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