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April 5, 2013

The Honorable Bill Shuster
Chairman
Transportation & Infrastructure Committee
2165 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Nick Rahall
Ranking Member
Transportation & Infrastructure Committee
2163 Rayburn House Office Building
Washington, D.C. 20515

The Honorable John D. Rockefeller
Chairman
Commerce, Science, & Transportation Committee
254 Russell Senate Office Building
Washington, D.C. 20510

The Honorable John Thune
Ranking Member
Commerce, Science & Transportation Committee
560 Dirksen Senate Office Building
Washington, D.C. 20510

NEW DATA HIGHLIGHTS ECONOMIC STRENGTH OF AVIATION MAINTENANCE INDUSTRY

Chairmen Shuster and Rockefeller and Ranking Members Rahall and Thune:

I am writing to provide a new report from the Aeronautical Repair Station Association (ARSA) quantifying the aviation maintenance industry's economic and employment footprint nationally and in your respective states (see attached state-by-state chart). Please visit <http://arsa.org/2013MROStudy> to view the full study.

The report makes clear that, although maintenance may be the least visible segment of the aviation industry, in addition to helping U.S. airlines become safer and more competitive, repair stations are significant economic contributors throughout the country. The study found the aviation maintenance industry employs 306,000 U.S. workers; the industry's direct and indirect impact on the U.S. economy is \$47 billion. Importantly, the industry has continued to grow despite the recession. Since 2009, aviation maintenance companies have added more than 30,000 jobs, while most sectors have witnessed significant workforce reductions.

Unfortunately, the industry's economic impact and jobs are directly threatened by policies coming out of Washington. The current ban on the Federal Aviation Administration's (FAA) ability to approve new foreign repair stations is impeding economic growth in the U.S. aerospace sector. The moratorium on new certifications is preventing U.S.-based companies from servicing U.S. air carriers in rapidly expanding overseas markets and deterring airlines from adding new international destinations.

Additionally, indiscriminate cuts to FAA funding further threaten the viability of the industry. Congress requires that the agency provide strict oversight of the industry. However, when lawmakers don't give FAA the resources to retain adequate certification and inspection personnel to carry out congressional mandates, the aviation maintenance industry's ability to efficiently service customers is at risk.

When considering legislative proposals, ARSA asks Congress to keep our industry's contributions and safety record in mind. Thank you for your consideration and please contact me if you have questions.

Sincerely,

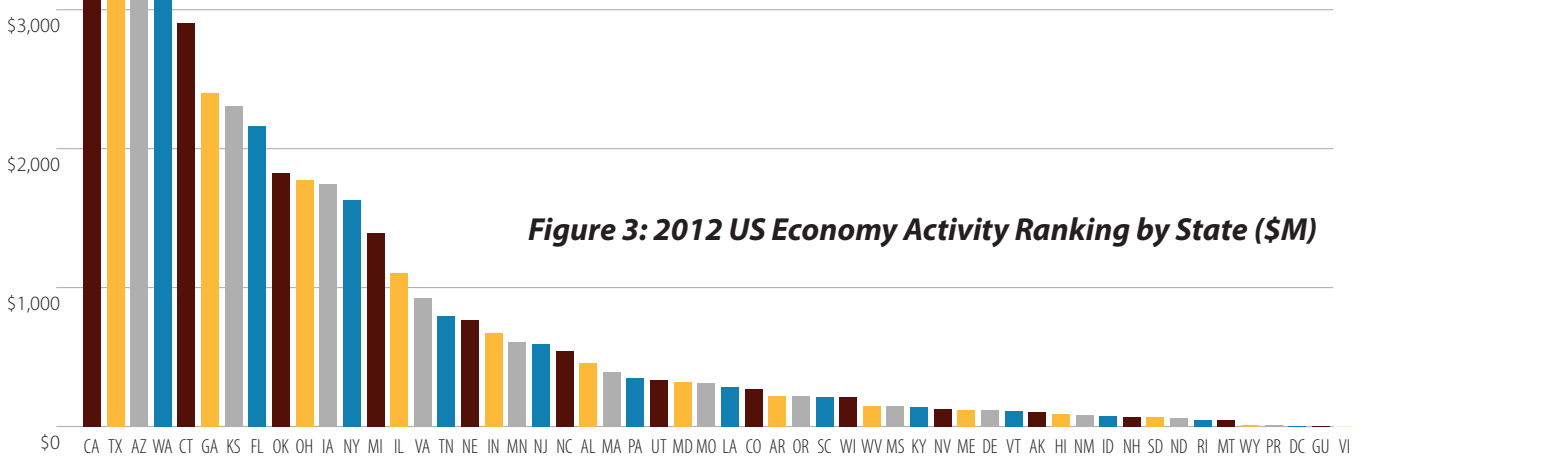
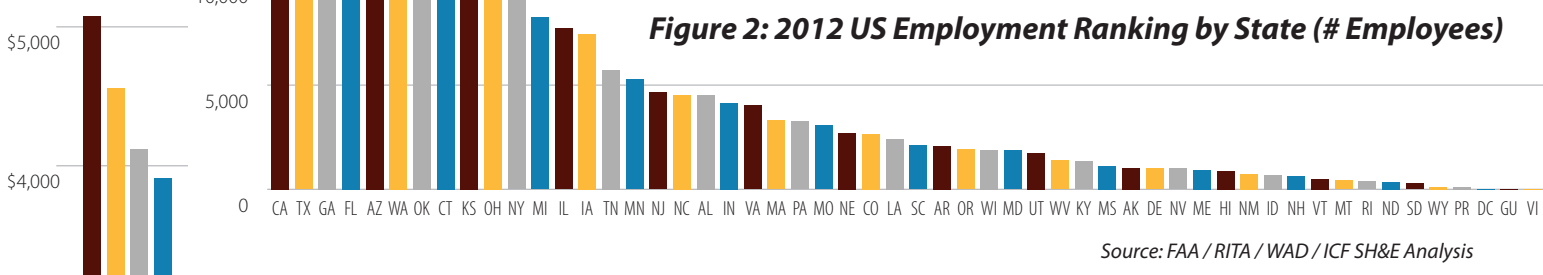
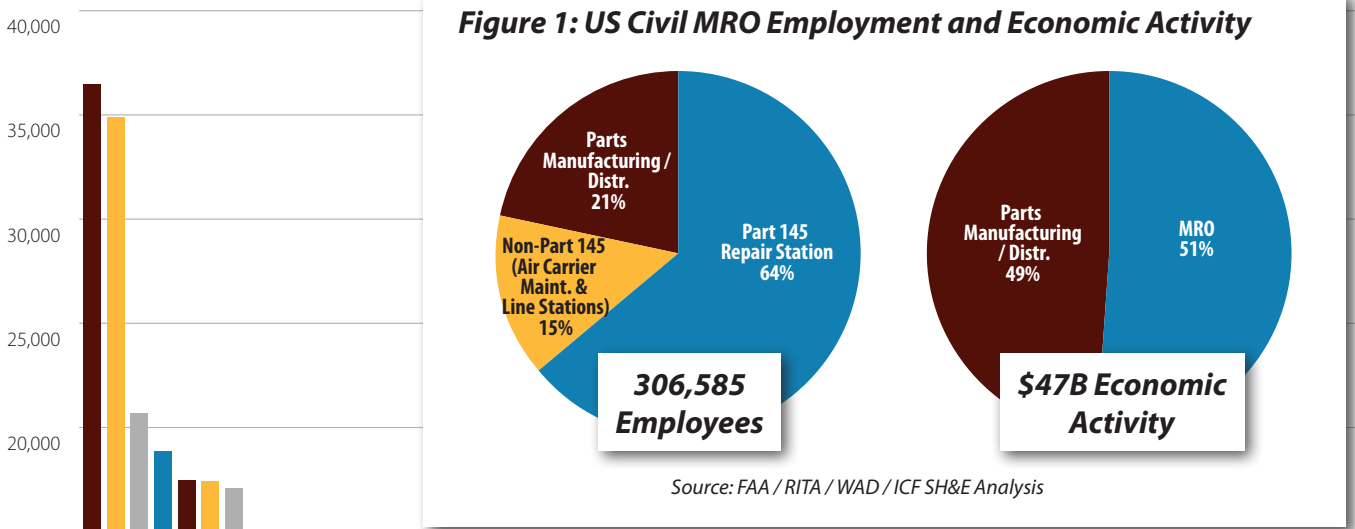
Daniel B. Fisher
Vice President of Legislative Affairs

cc: Members of the U.S. House
Members of the U.S. Senate

US EMPLOYMENT & ECONOMIC IMPACT BY STATE

Overview

The US civil aviation maintenance industry employs over 306,000 people and generates \$47B in economic activity (Figure 1). MRO accounts for 80% of the total employment in the US with 240,000 employees; within the MRO industry, companies that are certificated by the FAA under part 145 are the largest employers with nearly 200,000 employees. The remaining 45,000 are employed by other companies involved in civil aviation. Parts manufacturing and distribution accounts for the remaining 20% of employment with 66,000 employees. MRO generates over 50% of the economic activity or \$24.1B. With 20% of the total employment, parts manufacturing and distribution accounts for 49% of the total economic activity or \$22.9B.



Global MRO Market Economic Assessment, March 13, 2013

Analyzing the MRO industry at the state level, ICF SH&E estimates that California, Texas, Georgia, and Florida combined represent more than a third of the total US civil aviation maintenance employment with an estimated 111,000 employees (Figure 2); the top ten states represent nearly two-thirds of the total employment in the US.

California and Texas also generate the most economic activity followed by Arizona, Washington, Georgia and Connecticut; together, these six states generate almost half of the total economic activity (Figure 3).

Figure 4 presents the detailed employment and economic impact at the state level.

Figure 4: 2012 US Aviation Maintenance Industry Employment and Economic Impact

State	Aviation Maintenance Industry Employment			Aviation Maintenance Industry Economic Activity (\$M USD)	
	Maintenance, Repair and Overhaul (MRO)		Total Employment (MRO plus Parts Manufacturing/Distribution)	MRO	Total Economic Activity (MRO plus Parts Manufacturing/ Distribution)
	FAA-Certificated Repair Station	Air Carrier (Base and Line Maintenance)			
AK	541	478	1,028	\$101.9	\$104.7
AL	4,400	96	4,523	\$449.6	\$458.4
AR	2,000	15	2,074	\$201.5	\$220.8
AZ	5,529	2,311	17,480	\$784.0	\$4,122.5
CA	28,408	2,744	36,497	\$3,115.2	\$5,074.5
CO	1,183	1,461	2,659	\$264.4	\$269.2
CT	6,084	48	13,008	\$613.2	\$2,904.4
DC	18	0	18	\$1.8	\$1.8
DE	925	0	1,006	\$92.5	\$119.2
FL	16,488	1,435	18,873	\$1,792.3	\$2,161.8
GA	16,001	3,286	20,683	\$1,928.7	\$2,399.5
GU	11	0	11	\$1.1	\$1.1
HI	138	718	864	\$85.6	\$88.3
IA	3,042	98	7,463	\$314.0	\$1,749.0
ID	569	96	697	\$66.5	\$77.0
IL	3,620	2,690	7,712	\$631.0	\$1,101.6
IN	2,785	225	4,143	\$301.0	\$674.9
KS	6,932	141	11,872	\$707.3	\$2,310.3
KY	518	765	1,326	\$128.3	\$142.4
LA	2,047	182	2,411	\$222.9	\$282.9
MA	1,961	1,071	3,293	\$303.2	\$389.4
MD	1,003	275	1,855	\$127.8	\$318.0
ME	752	36	914	\$78.8	\$120.5
MI	4,007	1,765	8,235	\$577.2	\$1,390.0
MN	3,192	1,725	5,267	\$491.7	\$608.6
MO	1,494	1,537	3,053	\$303.1	\$310.3
MS	931	65	1,132	\$99.6	\$144.6
MT	380	20	418	\$40.0	\$45.8
NC	3,206	957	4,537	\$416.3	\$539.9
ND	244	24	364	\$26.8	\$58.5
NE	1,339	99	2,700	\$143.8	\$764.4
NH	556	49	637	\$60.5	\$71.0
NJ	3,931	281	4,649	\$421.2	\$590.7
NM	600	96	742	\$69.6	\$84.8
NV	529	360	1,002	\$88.9	\$126.1
NY	5,265	2,094	10,028	\$735.9	\$1,631.9
OH	5,623	1,913	10,624	\$753.6	\$1,772.6
OK	13,096	3,492	17,097	\$1,658.8	\$1,826.7
OR	1,788	15	1,916	\$180.3	\$217.6
PA	2,494	654	3,259	\$314.8	\$351.4
PR	100	0	100	\$10.0	\$10.0
RI	334	0	377	\$33.4	\$47.5
SC	1,944	144	2,098	\$208.8	\$212.3
SD	73	34	272	\$10.7	\$65.2
TN	1,970	3,172	5,727	\$514.2	\$796.5
TX	25,090	5,979	34,873	\$3,106.9	\$4,556.7
UT	292	1,012	1,750	\$130.4	\$337.1
VA	1,162	593	4,028	\$175.5	\$925.7
VI	2	0	2	\$0.2	\$0.2
VT	161	32	482	\$19.3	\$114.8
WA	8,267	404	17,437	\$867.1	\$3,911.3
WI	1,692	101	1,884	\$179.3	\$209.5
WV	1,345	0	1,382	\$134.5	\$146.7
WY	68	20	105	\$8.8	\$14.4
Total	196,130	44,808	306,585	\$24,094	\$46,975