



Aeronautical Repair Station Association

Annual Repair Symposium

2016



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What We Have Done Lately

ARSA's Work for the Aviation Maintenance Industry

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How ARSA Works

- Regulatory Advocacy & Compliance Assistance.
- Legislative Advocacy.
- Industry PR: The Voice of Aviation Maintenance.
- Building the Aviation Maintenance Workforce.
- Training Services.
- Industry Conferences and Networking.

Regulatory Advocacy – Agency Engagement

- [Work instructions](#).
- [Continue-in-service](#) determinations.
- FAA/EASA [MAG Change 5](#) & § [21.137\(o\)](#) early compliance.
- After securing legislative language giving repair stations a TSA Aviation Security Advisory Committee (ASAC) seat, D. Fisher appointed by administrator to serve.
- [Working Away Advisory](#)
- [Contract Maintenance Rule References/Tools](#)
- “Overhaul” Interpretation [Content and Training](#)
- Audit Survey Results

arsa.org/arsa-works

Regulatory Compliance - Industry Resources

- [Audit Survey Results](#)
 - 35 companies responded
 - 121 national aviation authority audits
 - 146 internal audits
 - 59 customer audits
 - 19 commercial certification audits (ISO, NADCAP, etc.)
 - 144 findings
 - 57 from national aviation authorities audits
 - 64 from internal audits
 - 9 from customer audits
 - 14 from commercial certification audits

<http://arsa.org/regulatory>

Regulatory Compliance - Industry Resources

- Of the 144 findings, with more than one choice given:
 - 59% were administrative (e.g., typographical errors, etc.)
 - 31% were contradictory (i.e., different opinions on what constitutes compliance)
 - 23% were duplicative
 - 4% concerned commercial requirements (i.e., contractual or business obligations)

Regulatory Advocacy and Compliance – In the Works

- Housing requirements for airframe component facilities.
- Documents incorporated by reference in ADs.
- MAG Change 6 and an update to ARSA's supplement.
- Major and minor guidance for air carriers, general aviation and repair stations.
- Singapore supplement.

Legislative Advocacy

- Alternative Parts
 - Great example of association “defense” on specific initiative.
 - Proves we have power.
 - Legislative team learned of effort to include language in FAA reauthorization mandating rulemaking regarding alternative parts.
 - In July, ARSA led coalition of six other trade associations in letter to congressional leaders.
 - As of now, effort to include mandate language has been abandoned.
- FAA Modernization and Reform Act
 - Worked with Congress & FAA to ensure air carrier contract maintenance requirements have minimal industry burden (final rule effective March 4).
 - Ensured lawmakers respected national sovereignty and bilaterals when dealing with foreign D&A testing (ANPRM stage).

Legislative Advocacy

- FAA Reauthorization
 - Multi-year blueprint for FAA funding is opportunity for Congress to direct aviation policy (new legal mandates, new regulations).
 - ARSA and member engagement is critical or more bad things will happen (e.g., TSA security rule and subsequent ban on new foreign repair station certificates).

Legislative Advocacy

- FAA Reauthorization.
 - General advocacy goals:
 - Educate about economic impact of aviation maintenance.
 - Demonstrate the harm of burdensome mandates on aviation businesses.
 - Ensure agency has adequate resources.
 - Protect/promote bilaterals.
 - Current law extended through March 2016 (its 1st extension).
 - House T&I Committee has passed bill, Senate has unveiled bill.

Legislative Advocacy

- FAA Reauthorization
 - Problematic provisions in 2016 House and Senate bills:
 - Drug and alcohol testing: Congress wants to rush previously mandated D&A testing rule for foreign RS employees.
 - Expanding background investigations of RS employees beyond what TSA has deemed necessary.
 - Risk-based inspection provision: valid approach but redundant and duplicative based on current FAA powers.
 - Automatic adoption of foreign-authority ADs.

Legislative Advocacy

- Technical Education Policies
 - General advocacy goal:
 - Sharpen focus of federal education programs to support life-long technical skill development from early/secondary education through advanced training.
 - Specific policy initiative:
 - Align career and technical education policies with workforce resources through reauthorization of the Carl D. Perkins Act.
 - Support industry sector partnerships as tool to build skills needed by businesses.

Resources

Market Size

This is section 1 of a 4 part report that has been prepared through the use of surveys of ARSA members and an economic report delivered by Oliver Wyman's technical services and consulting division, CAVOK. This section of the report focuses on the size of the aviation maintenance market in the United States.

Size of Aviation Maintenance Market in Each State

289,281 Total Jobs

Market outlook is strong with increased job openings and projected growth. The global maintenance repair

Workforce

This is section 2 of a 4 part report that has been prepared through the use of several surveys of ARSA members and an economic report delivered by Oliver Wyman's aviation technical services and consulting division, CAVOK. This section of the report focuses on the aviation maintenance workforce.

Workforce Plans for the Next Year

- Hire (21.33%)
- Remain the Same (20%)
- Layoff (6.67%)

Revenues

This is section 3 of a 4 part report that has been prepared through the use of several surveys of ARSA members and an economic report delivered by Oliver Wyman's aviation technical services and consulting division, CAVOK. This section of the report focuses on the topics of revenue generation for aviation maintenance businesses.

Primary Revenue Source

- Maintenance (53.64%)
- Design and Production (3.27%)
- Operations (16.36%)
- Other (27.73%)

Sources of Maintenance Revenue

- Military (3.88%)
- General (5.72%)
- Business (32.93%)
- Commercial (42.36%)

The majority of respondents derive their primary income from maintenance. Within the maintenance market, the largest portion of revenues comes from servicing commercial aircraft.

Almost 25% of respondent businesses reported revenues in excess of \$100 million.

Outlook

This is the final section of a 4 part report that has been prepared through the use of several surveys of ARSA members and an economic report delivered by Oliver Wyman's aviation technical services and consulting division, CAVOK. This section of the report focuses on the outlook for the aviation maintenance industry.

Respondent's 3-Year Profitability Trend

- Increased (47.17%)
- Constant (26.42%)
- Decreased (26.42%)

Respondent's Market Outlook for the Next Year

- Expanded (65.45%)
- Constant (28.35%)
- Shrank (13.64%)

Projected MRO Market Size (in billions \$)

Market outlook is strong with increased job openings and projected growth. The global maintenance repair

AVMRO

Powered by ARSA

Aeronautical Repair Station Association

POLICY SOLUTIONS FOR A STRONGER TECHNICAL WORKFORCE

THE COLLEGE OF WILLIAM & MARY
TRIGLASS JEFFERSON PROGRAM IN PUBLIC POLICY
WILLIAMSBURG, VIRGINIA
2014

GLOBAL FLEET & MRO MARKET ECONOMIC ASSESSMENT 2015-2025

MARCH 2015

PREPARED BY CAVOK

A DIVISION OF OLIVER WYMAN

2015 Global Air Transport Fleet Size	23,107
2015-2025 Fleet Growth Rate	3.7%
MRO Market Size	\$47.1B
2015-2025 MRO Growth Rate	4.1%
2015 Business Aviation Fleet Size	37,367
MRO Market Size	\$8.0B
2015 Global Civil MRO Fleet	4,743
Small/Medium Enterprises (SME)	79.2%
Maintenance Employees	176,807
2015 U.S. Civil MRO Fleet	4,033
Small/Medium Enterprises (SME)	80.2%
Maintenance Employees	141,797
2015 U.S. Economic Activity	
Maintenance, Repair and Overhaul	\$75.0B
Parts Manufacturing/Overhaul	\$24.0B
Total Economic Activity	\$99.0B

You Can't Fly Without Us - The World of Aviation Maintenance

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AEROJOBS.ORG

The place for aviation talent

A service to the aviation community provided by the Aeronautical Repair Station Association

ARSA 2015 LEGISLATIVE PRIORITIES

114TH CONGRESS, 1ST SESSION

The Voice of Aviation Maintenance

ARSA Member Companies Help Ensure the Safety of Aircraft Worldwide

Thank you to our sponsor:

SONICO WHEN QUALITY COUNTS

www.sonico.com

Support for Aviation Maintenance Workforce

- Launched AeroJobs.org, an aviation maintenance-focused online recruitment tool.
- Joined the [STEM Education Coalition Leadership Council](#).
- Signed coalition letter demanding Congressional action to [reauthorize the Perkins Act](#).
- Requested revision to [Standard Occupational Classification \(SOC\)](#) aviation maintenance personnel definitions.

Training Services

- Launched new [online training](#) program in September 2015
 - Regularly scheduled live sessions.
 - On-demand recordings.
- Topics selected to complement existing resources (e.g., issue pages, publications) and inform on key issues (e.g., MAG change 5, legal interpretation on “overhaul” definition).

Online Sessions – Available On-Demand

- Aircraft Parts (Series)
- AC 43-210A Listening Session
- Effectively Engaging Lawmakers
- International Regulatory Law (# 1)
- Major/Minor Overhauling Overhaul
- Part 145 (Series)
- The FAA, EASA & MAG Change 5

Online Sessions – 2016 Subjects

- Agencies
- Antitrust
- Audit Activism
- Contract Functions & Vendors
- D&A Testing
- Election Law
- ICA in 3 Parts
- International Regulatory Law (#2 and more)
- Part 21
- Public Aircraft
- Political Engagement
- Recordkeeping
- Rulemaking
- Security Issues

Developing Training

- Topics responsive to member and regulatory needs.
- What training sessions would be valuable to you? Send a note to the teacher.
- For specific needs, tailored programs can be designed.

arsa.org/training

Industry Conferences & Networking

- 2016 ARSA Strategic Leadership Conference
 - High-level meeting for maintenance and airlines execs.
 - No longer “invite only”; limited space available.
 - In Montreal Oct 5 & 6.
 - Hosted by IATA.
 - Opportunity for high-level international engagement.
 - Registration opens late summer.

2016 Member Survey

- Currently in the field – initial announcement sent to every primary contact.
- Reminder email sent just now. Are you the primary contact? Find out who is...
- Responses improve ARSA strategy, enhance member services and support advocacy efforts.

Helping Us Move the Ball Forward

- Use AeroJobs.org.
- Use [You Can't Fly Without Us](#) video.
- Register for SLC.
- Use [ARSA Training](#).
- Host congressional facility visits.
- Communicate with Congress.
- ARSA PAC.
- Engage the media.
- Respond to member survey.
- Bring us new members.
- Sponsor meetings.