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April 14, 2016

The Honorable Mitch McConnell
Republican Leader
U.S. Senate
Washington, D.C. 20510

The Honorable Harry Reid
Democratic Leader
U.S. Senate
Washington, D.C. 20510

**EXPRESSING STRONG OPPOSITION TO FAA REAUTHORIZATION REPAIR STATION
AMENDMENTS (MCCASKILL #3750 AND #3751)**

Dear Leaders McConnell and Reid:

The Aeronautical Repair Station Association (ARSA) and its many small business members strongly oppose Sen. McCaskill's amendments (#3750 and #3751) to the Federal Aviation Administration (FAA) Act of 2016.

ARSA is an international trade association representing aviation design, maintenance and manufacturing companies. The U.S. civil aviation maintenance industry, dominated by small-to-medium size businesses, employs more than 273,000 people and generates more than \$43 billion in economic activity.

Many hold certificates from other national aviation authorities that allow them to work on aircraft from a variety of countries. In fact, the United States is a major net exporter of aviation maintenance services and therefore enjoys a positive balance of trade in this area.

Unfortunately, the U.S. aviation industry's global competitiveness, and international commerce and tourism are directly threatened by these amendments. Consequently, we urge you to oppose McCaskill amendments (#3750 and #3751):

McCaskill #3750: This amendment prevents the FAA certification of new foreign repair stations for "any country that has repeatedly provided support for acts of international terrorism." Not only is it unclear how an aviation safety agency would make such a determination, the proposal ignores the fact that foreign repair stations - entities outside the United States that are authorized to perform work on U.S.-registered aircraft - are subject to the same safety and security standards as domestic part 145 certificate holders regardless of country or location.

The FAA currently has the authority to reject or revoke a repair station certificate if the company is unable to meet the same or equivalent safety and security standards as domestic facilities. To operate in the civil aviation maintenance industry, all certificated repair stations must demonstrate to the FAA, or other civil aviation authorities, that they possess the housing, facilities, equipment, personnel, technical data, and quality control systems necessary to perform work in an airworthy manner. Additionally, foreign repair station applicants must demonstrate that their services are needed to support maintenance on U.S.-registered aircraft and components. FAA-certificated foreign repair stations are overseen by government agencies, airline customers, and third-party auditing organizations, as well as the repair station's own quality assurance staff. Approving new foreign repair stations should be based on meeting regulatory requirements, not on their location.

McCaskill #3751: This amendment bans the FAA's certification of all foreign repair stations if the agency fails to complete a foreign drug and alcohol testing rule within one year and ensure pre-employment background checks are completed for foreign and domestic repair stations maintaining air carrier aircraft within 180 days. The proposal penalizes industry for a federal agency's inaction and ignores the

Administrative Procedure Act (APA) (P.L. 79-404), which outlines a strict rulemaking process that contains protections for regulated entities, including notice and comment, ample consideration of public concerns, and reasonable implementation time. Congress is essentially setting the FAA up for failure—it must complete rulemakings in an arbitrary time period in violation of the APA or it is prohibited from issuing foreign repair station certificates. This lose-lose situation should be rejected outright on public policy grounds.

Additionally, the amendment violates the United States' bilateral aviation safety agreements (BASAs). BASAs are government-to-government arrangements that enhance efficiencies and minimize duplicative oversight. Prohibiting the FAA from certificating new foreign repair stations violates these pacts (particularly with the E.U.) and hinders the U.S. government's ability to enter into new accords. It is only a matter of time before foreign countries impose a reciprocal ban that prevents repair stations located in the United States from gaining approval from foreign civil aviation authorities or significantly increases certification costs. Such retaliation would have a detrimental impact on U.S. companies, particularly small businesses, which can't absorb increased certification expenses and would be unable to service international customers as a result.

The U.S. aviation maintenance industry produces jobs and economic growth across the country. Unfortunately, U.S. companies, not foreign businesses, will lose competitiveness and growth opportunities, with no safety or security benefit, if these proposals are adopted. Furthermore, it limits the destinations to which airlines and other operators can fly, disrupts travel and commerce, and usurps the authority and judgment of the FAA. **Please reject McCaskill amendments #3750 and #3751 and ensure the U.S. aviation maintenance industry's continued international competitiveness.**

Sincerely,

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

Daniel B. Fisher
Vice President of Legislative Affairs

cc: Members of the U.S. Senate