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The Honorable Peter DeFazio
Chairman
Committee on Transportation &
Infrastructure
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Sam Graves
Ranking Member
Committee on Transportation &
Infrastructure
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Rick Larsen
Chairman
Aviation Subcommittee
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Garret Graves
Ranking Member
Aviation Subcommittee
U.S. House of Representatives
Washington, D.C. 20515

Impact of Government Shutdown on Aviation Maintenance Industry

Dear Chairmen DeFazio and Larsen and Ranking Members Graves and Graves:

We appreciate you convening this week's hearing to examine the impact of the recent government shutdown on the aviation industry. This statement for the record provides insights about how the lapse in the Federal Aviation Administration's (FAA) appropriations affected the aviation maintenance industry, which employs more than 278,000 Americans, contributes \$46 billion to the U.S. economy and plays a critical role supporting the safe operation of aircraft throughout the world.¹

The Aeronautical Repair Station Association's (ARSA) primary members are repair stations certificated by the FAA and other aviation authorities to perform work on civil aviation products and articles. Our membership also includes air carriers, manufacturers, industry service providers, educators and others supporting this vital section of the economy.

Congress has mandated a strict regulatory oversight regime for the maintenance industry. Consequently, our members' work is intrinsically intertwined with that of the FAA. In January, in the middle of the shutdown, ARSA conducted an online survey to determine its impact on repair stations.

More than three quarters (77 percent) of respondents indicated their operations were negatively affected. Of particular concern was the renewal of European Aviation Safety Agency (EASA) approvals, which allow more than [1,400 FAA-certificated repair stations in the United States](#) to work on European Union-registered aviation products and articles. Under the terms of the U.S.-EU bilateral aviation safety agreement (BASA) and its related maintenance annex guidance (MAG), the FAA must recommend and forward renewal applications to EASA. During the shutdown, the FAA was unable to conduct this vital oversight function. U.S. facilities that lost their EASA approval are forced to turn away

¹ A state-by-state overview of aviation maintenance employment and economic impact is available at <http://arsa.org/news-media/economic-data/>.

international customers. FAA-certificated maintenance facilities outside the United States (whose certificates must be regularly renewed by the agency) were also at risk of losing their ability to work on U.S.-registered aircraft. The following comments from ARSA's survey underscore the problem:

- “Renewal package was submitted ... and I have been informally told by [principal maintenance inspector] he would forward with positive recommendation to continue, however it was not transmitted to EASA prior to the shutdown. Have been in contact with [EASA, which is] awaiting word from the FAA. Our cert[ificate] expires 1 February 2019, we will not be able to release articles with dual release as of that date, interrupting our business with our huge international customer base.”
- “Our EASA renewal has been delayed”
- “Our EASA continuation may not be renewed by continuation date of February 1st, 2019. All parts returned to service from our facility require dual EASA release or customers will not accept. We did contact[ed] EASA and [its] response...was they do not have a process in [the Maintenance Annex Guidance] for Government shutdown and will get back with me when they can figure this out.”
- “Certificate renewals have not been processed, resulting in expired...certificates which results in product not being shipped which results [in unhappy] customers, parts shortages and risk of [Aircraft on Ground].”
- “Delay in getting repair station renewals that were in process prior to the shutdown. Trying to locate alternate repair sources for repair of customer hardware. Notified customers of the potential impact to product delays.”
- “Unable to get a new revision of my EASA Supplement Manual Approved.”

However, the risk of lapsed EASA approvals was just one concern. The furlough of FAA workers meant myriad other approval requests were in limbo, which undermined company operations or prevented work entirely:

- “Company purchased the assets of another FAA Part 145 Repair Station on 1/1/19 and has a new repair station certificate pending with the FAA. The new certificate was due to be issued the first week of January but has been delayed due to the shutdown. The company has work that was "in process", customers waiting for delivery and the company has had no revenue through January.”
- “A change to our airframe limited rating was submitted during the week prior to the shutdown and will not be approved until after the shutdown.”
- “Cannot get Repair Specs approved because of the requirement to co-ordinate with the [Flight Standards District Office].”
- “Delays with [operations specifications] changes.”

- “[Repair Station Quality Manual] changes, no "acceptance", Serious [Service Difficulty Reports] not worked.”
- “[D]elay in processing our Repair Station certificate application.”
- We are a [Parts Manufacturer Approval] company. All in-process certification projects at FAA [Aircraft Certification Offices] are on hold.... Completion of certification projects equals expansion of our catalog. Limiting our catalog is hurting sales and our growth as well as offering solutions to our customers (airlines/ maintenance facilities).”
- “As FAA designee, I am unable to get specific project authorization...from my FAA advisor.”
- “Unable to issue airworthiness certificates for aircraft ready for testing without [Manufacturing Inspection District Office (MIDO)] concurrence. Unable to issue export certificates for articles because the MIDO office didn't approve my "activity request" ...prior to the shut-down.”
- “It has stalled the application for our Repair Station certificate.”

Our members' employees were also affected, whether by delays in issuing individual certificates or the risk of companies laying off workers or shutting their doors because they could not legally work:

- “Need to get three employees their Repairman Certificate.”
- “This will put [our company] into shutdown along with the Government if not rectified. Customers will look elsewhere for their repair needs.”
- “Unable to get new Repairman Certificates issued.”

The foregoing comments illustrate how the federal shutdown rippled through one important segment of the aviation industry. We appreciate your efforts to document the full impact and enact legislation to insulate the FAA and the companies that rely on its oversight from future appropriations lapses.

Sincerely,



Christian A. Klein
Executive Vice President

c.c. All members of the House Aviation Subcommittee