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# H.R. 5119: Contract Maintenance Under Attack

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## About the Aeronautical Repair Station Association

[ARSA](#) is devoted to the worldwide civil aviation maintenance industry—from its global corporations to the small, independent businesses. [ARSA](#) members are located on five continents and in nearly 20 countries

The association's experts create tools for members to navigate the maze of government mandates while enhancing safety, efficiency and productivity

[ARSA](#) is managed by the law firm of [Obadal, Filler, MacLeod & Klein, P.L.C.](#), which provides management, government affairs, and legal services to trade associations and transportation-centric companies

## About Obadal, Filler, MacLeod & Klein, P.L.C.

OFM&K is a boutique law firm based in Alexandria, Virginia (across the river from Washington, D.C.)

It provides management, government affairs and legal services to trade associations and transportation-centric companies with particular emphasis on international aviation safety regulations

It helps clients navigate the maze of government mandates while enhancing safety, efficiency and productivity

## About the Presenter – Christian A. Klein

[Christian A. Klein](#) is the managing member of [OFM&K](#) overseeing the firm's policy advocacy practice. He represents trade associations as a registered federal lobbyist and provides strategic communications and legal counsel services to clients. He is Executive Vice President of the [Aeronautical Repair Station Association](#). Mr. Klein is a member of the University of Virginia's adjunct faculty.

Mr. Klein obtained a bachelor's degree with honors in international relations from the College of William and Mary, a law degree and a master's in congressional politics from the Catholic University of America; and a post-graduate certificate in public relations from University of Virginia.

## About the Presenter – Brett Levanto

[Brett Levanto](#) is vice president of operations of [OFM&K](#) managing firm and client communications in conjunction with regulatory and legislative policy initiatives. He provides strategic and logistical support for the [Aeronautical Repair Station Association](#).

Mr. Levanto has experience with organizational and policy issues in both aerospace and government sectors. He obtained a bachelor's degree from the George Washington University and a Master of Public Policy from the College of William and Mary.

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In addition, the application of this material is always dependent on the particular facts and circumstances involved. The use of this material is therefore at your own risk.

## Reference Material

References are available throughout the presentation as hyperlinks and in handouts or additional information provided

The material is made available electronically in Adobe read-only format to registered participants

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## Description

This webinar provides an overview of the Safe Aircraft Maintenance Standards Act (H.R. 5119)

It discusses the contents of the legislation, the politics surrounding it, the consequences of the bill's enactment and what the aviation industry can do to prevent H.R. 5119 from becoming law



## Objectives

Upon completion of this session, participants will have the tools to understand:

- The politics surrounding H.R. 5119
- What H.R. 5119 would do and its implications for the industry
- How to impact the legislative process and help prevent H.R. 5119 from becoming law

## Situational Overview

- H.R. 5119 is new front in the long-standing union war against contract maintenance (MRO)
- State of registry of aircraft controls maintenance, so U.S. aircraft must be maintained by FAA approved “persons” (mechanic, air carrier, repair station) anywhere in the world
- MRO has made airlines more efficient and contributed to the safest period in the history of U.S. civil aviation
- As airlines have embraced contracted MRO, technical work has migrated from airlines to repair stations
- U.S. repair stations now employ six times more technical workers (188,740) than airlines employ mechanics (30,305)
- Unions raising false safety and security arguments to promote legislation that raises costs, undermines MRO competitive advantage, makes it more difficult for air carriers to use repair stations
- Goal of contract maintenance opponents is to bring more maintenance work back “in house” and increase union membership ranks

## Why Now?

- House Transportation & Infrastructure Committee Chairman Peter DeFazio (D-Ore.) is [long-time MRO skeptic](#)
- Congressional focus on aviation safety in wake of Boeing MAX accidents makes lawmakers more sensitive to safety arguments, will likely lead to legislation in current congress (despite last year's [FAA reauth law](#))
- FAA has not completed congressionally-mandated [foreign repair station \(FRS\) drug and alcohol \(D&A\) testing rulemaking](#) first mandated in 2012
- Lots of new members of Congress unfamiliar with maintenance industry (safety record, economic impact, etc.)
- Atmospheric hostility to international trade as reflected by President Trump
- Unions [better organized and coordinated](#) on MRO issues than before (Ralph Nader, [Outsourcing Summit](#), etc.)

## Where to Things Stand?

- Safe Aircraft Maintenance Standards Act (H.R. 5119) [introduced](#) on Nov. 15 by Chairman DeFazio and [seven cosponsors](#) (six D, one R)
- Marked up and reported (i.e., “passed”) by [House T&I Committee on Nov. 20](#) (no hearings, subcommittee markup or opportunity for industry comment)
  - Aviation Subcommittee Ranking Member Garrett Graves (R-La.) proposed more reasonable amendment in nature of a substitute that failed on party-line vote
  - H.R. 5119 reported by T&I Committee [39 to 19](#) (all Ds and seven Rs voted in favor)
- On same day, DeFazio sent letter to DOT IG [requesting audit of FAA’s oversight of domestic repair stations](#)
- Near-term outlook uncertain given other things on House agenda for December (appropriations, impeachment), but concern that H.R. 5119 supporters will try to rush bill through House (e.g., under suspension of the rules)
- Probable that any future bill to address Boeing MAX-related certification issues will include MRO and other DeFazio priorities

## What Would H.R. 5119 Do?

- Surprise inspections (Sec. 3)
  - Require annual inspections of FRS “without prior notice”
  - Allow additional surprise inspections based on risk

## What Would H.R. 5119 Do?

- Air Carrier Data Gathering and Submission (Sec. 3):
  - Requires *monthly* air carrier reporting to FAA re: where maintenance, preventive maintenance or alteration is performed outside United States, what work was performed, date of completion at each location, total man-hours involved, list of all problems affecting safe operation identified by air carrier after return to service, certificate number of each person approving for return to service
  - Failure information must be updated within 180 days if additional problems identified
  - FAA must analyze data to identify safety issues with work performed outside United States

## What Would H.R. 5119 Do?

- Air Carrier Data Gathering and Submission (Sec. 3):
  - Requires *annual* report to FAA by air carriers re: one-year history of heavy maintenance on every aircraft in fleet, percent of employees vs. non-employees performing maintenance, percentage and total number of FAA certificated mechanics performing work inside and outside the United States, percentage and total number of technicians performing work outside the United States, percentage and total number of mechanics who are and are not FAA certificated, other information as determined by the FAA, all locations where aircraft has undergone heavy maintenance in past three years (listed by man-hours), all locations where heavy maintenance work might be carried out based on existing contracts

## What Would H.R. 5119 Do?

- Permanent Ban on Maintenance in CAT 2 Countries (Sec. 3):
  - Prohibits FAA from approving a new FRS certificate or renewal in country (or company headquartered in country) classified as [Category 2](#) by FAA through [International Aviation Safety Assessment Program](#)
  - Prohibits 121 operator from contracting for heavy maintenance in CAT 2 country
  - Gives FAA discretion not to enter into maintenance implementation procedure with CAT 2 country
  - Current CAT 2 countries are Bangladesh, Costa Rica, Curacao, Ghana, Malaysia, Thailand (list is not static)



## What Would H.R. 5119 Do?

- Direct Certification of FRS Employees (Sec. 3):
  - Requires the following personnel at FRS who perform work on aircraft, “including powerplants and parts of such aircraft” operated under part 121 to be certificated by FAA under part 65 as mechanics or repairmen:
    - Supervisory personnel
    - Personnel authorized to approve an article for return to service
    - Personnel performing required inspections under part 145
  - Requires individuals who are responsible for authorizing the return of an article to service or directly in charge of work on aircraft operated under part 121 to personally perform the work or be physically present near the aircraft and available for consultation while the work is performed

## What Would H.R. 5119 Do?

- FRS Certification Moratorium (Sec. 4):
  - Prohibits FAA from issuing new FRS certificates unless, within one year of enactment, FAA:
    - Completes all tasks directed in H.R. 5119
    - Issues a final FRS D&A testing rule
    - Issues final rule requiring FRS performing work for 121 operators to conduct employee security threat assessment

## H.R. 5119 Impact

- U.S. repair stations:
  - Diversion of resources to data gathering/generation to support customer reporting
  - Business operation disruptions for U.S. MRO companies with overseas operations (no FRS in CAT 2 countries, no new FRS)
  - Potential retaliation from foreign authorities (e.g., reciprocal certification ban, direct foreign certification of employees, etc.)

## H.R. 5119 Impact

- Foreign repair stations:
  - (In CAT 2 countries) Immediate loss of U.S. customers
  - (In CAT 2 countries) Permanent loss of U.S. certificate
  - Uncertainty surrounding ability to maintain certificate and serve U.S. customers if country is at risk of becoming CAT 2
  - Diversion of resources to data gathering/generation to support customer reporting
  - Costs of direct FAA certification of employees
  - Inability to open new FAA-certificated facilities

## H.R. 5119 Impact

- U.S. air carriers and general aviation:
  - Inability to obtain maintenance in CAT 2 countries (will require suspension of operations or sending mechanics on every flight)
  - Perennial uncertainty surrounding ability to obtain maintenance services outside the United States (other countries at risk of CAT 2 status)
  - Shortage of maintenance services (from inadequate capacity in United States and restricted growth of capacity overseas)
  - Diversion of resources to data gathering and reporting (air carriers)

## H.R. 5119 Impact

- U.S. aviation manufacturers
  - Inability to operate existing FRS and open new FAA-certificated facilities in CAT 2 countries
  - Inability to open FRS to support customers in emerging markets

## Other Concerns

- Bill is unnecessary given existing rules re: RS inspections, FRS employee qualifications, air carrier oversight of maintenance providers, etc.
- Many requirements with no clear safety benefit = a “fishing trip” for MRO opponents
- Inadequate FAA resources (and no new resources provided by bill) to do everything required by H.R. 5119 (manage certification of hundreds of new individuals, analyze data submitted by air carriers, conduct rulemakings, etc.)
- FAA will not be able to accomplish all tasks in one year, so certification ban is a virtual certainty
- No global infrastructure to support direct certification of FRS employees
- Government rules, diplomatic norms, etc. prohibit U.S. government employees from unannounced official travel to foreign countries
- Does U.S. MRO sector (already facing severe worker shortage) have capacity to absorb work being performed outside United States?

## Who's on What Side

### Opposed to H.R. 5119:

Aeronautical Repair Station Association  
Aerospace Industries Association  
Aircraft Electronics Association  
Airlines for America  
Aviation Suppliers Association  
Cargo Airline Association  
General Aviation Manufacturers Association  
International Air Transport Association  
Modification and Replacement Parts Association  
National Air Carrier Association  
Regional Airline Association

### Supporting H.R. 5119:

Aircraft Mechanics Fraternal Association  
Consumer Reports  
International Association of Machinists and Aerospace Workers  
National Consumers League  
Professional Aviation Safety Specialists  
Transport Workers Union of America  
Transportation Trades Department of AFL-CIO



## What is ARSA Doing

- Coordinated and sent [coalition letter](#) in advance of markup
- Developed [“myths and facts” document](#) to support allied advocacy
- Established action center ([www.arsa.org/hr5119](http://www.arsa.org/hr5119)) as resource for members, congressional staff, media
- Member communications and alerts
- Congressional meetings
- Media engagement

## What Can You Do To Help?

- Contact your congressional representatives to voice your opposition to H.R. 5119 (use <http://www.arsa.org/hr5119> to identify your MCs and obtain contact info)
- Educate your suppliers and customers about H.R. 5119 and how it would impact them
- Host a member of Congress at your facility to SHOW them what your company and colleagues do
- If you're a member of other associations that aren't already part of the coalition, tell them to join our effort
- Respond with the facts to any media story you see about this issue
- Non-U.S. companies, [contact your embassy in Washington, D.C.](#) and urge your diplomats to engage on this issue
- [Tell your colleagues at non-member companies to join ARSA](#)
- [Learn more about how ARSA PAC](#) supports our advocacy efforts on your behalf and give us permission to ask for your support
- Register for [2020 ARSA Legislative Day](#) (March 11) to personally engage with policymakers on Capitol Hill

# Suggested Note to Congressional Offices

Dear **STAFFERNAME**:

I am writing in my capacity as **YOURTITLE** of **YOURCOMPANY**, an FAA-certificated repair station in **YOURCITY**, to express my strong opposition to the Safe Aircraft Maintenance Standards Act (H.R. 5119). Repair stations in **YOURSTATE** employ **NUMBER** people and contribute \$**DOLLARS** annually to the state's economy.

H.R. 5119 is unnecessary given existing aviation safety regulations. The bill would likely subject my company to retaliation by foreign aviation authorities and interfere with our ability to serve international customers. It would also disrupt global operations by U.S. air carriers and general aviation, undermine the ability of U.S. manufacturers to support customers in overseas markets, and significantly add to the FAA's workload, unnecessarily diverting oversight resources at a time when the agency is already stretched thin.

The substantive issues aside, the process surrounding the bill has lacked transparency and fairness. H.R. 5119 was reported by the House Transportation and Infrastructure Committee on Nov. 20, five days after it was introduced, with no public hearings or opportunity for industry comment.

For all the foregoing reasons, I urge **Rep. (or Sen.) LASTNAME** to oppose the legislation and to work to ensure it does not become law.

Please do not hesitate to contact me if you need more information or wish to learn more about my company and/or the aviation maintenance industry's impact in **YOURSTATE**.

Sincerely,

**YOURNAME**  
**YOURTITLE**

## ARSA Resources

- State-by-state repair station employment and economic data: <http://arsa.org/wp-content/uploads/2019/03/ARSA-MarketReport-StatebyState-2019.pdf>
- State-by-state European Union Aviation Safety Agency approval analysis: <http://arsa.org/easa-us-certificates/>
- H.R. 5119 resource page: <http://www.arsa.org/hr5119>
- Myths and facts about MRO: <http://arsa.org/wp-content/uploads/2019/11/ARSA-RepairStationFactsMyths-201911.pdf>
- Identify your members of Congress: <https://www.govtrack.us/congress/members>
- Contact information for congressional offices: <http://arsa.org/wp-content/uploads/2019/11/ARSA-116thCongSenateHouseTranspoEdSchedLD-20191113.xls>

## Parting Thoughts

- H.R. 5119 is most significant political threat to MRO in the last decade
- Will impact entire industry (foreign and domestic RS, air carriers, manufacturers, general aviation)
- House action likely (whether on H.R. 5119 or more comprehensive FAA oversight bill), but timing is uncertain
- ARSA's resources are limited – your support and engagement (individual and company) is critical

# Questions?



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