



H.R. 5119: Risks to Global Aviation

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The Big Picture

- Legislation promoted by labor organizations representing U.S. air carrier mechanic unions and recently approved by the House Transportation & Infrastructure Committee would:
 - Cause significant disruptions to the global aviation industry (operations, maintenance, manufacturing)
 - Undo decades of progress towards more efficient global aviation safety regulatory system (e.g., U.S.-E.U. bilateral aviation safety agreement)
 - Increase costs and undermine efficiencies for industry and government

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 contract maintenance, 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 Do 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 approved by [House T&I Committee on Nov. 20](#) (no hearings, subcommittee markup or opportunity for meaningful 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 T&I and House agenda
- 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 foreign repair stations (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, Venezuela (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., annual inspections, 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
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 Are We Doing?

- Established coalition to coordinate activities
- Sent [coalition letter](#) to T&I members in advance of markup
- Sent [coalition letter](#) to House leadership (and all House offices) in December
- Established action center (www.arsa.org/hr5119) as resource for members, congressional staff, media
- Member communications and alerts
- Congressional meetings
- Media engagement (trade press, inside-the-Beltway, general)

Government Action

- Examine how your country would be impacted
- Confirm and articulate position on legislation
- Express concerns through appropriate channels
- Elevate impact with home-country stakeholders

Resources

- H.R. 5119 resource page: <http://arsa.org/legislative/hr5119-actioncenter/>
- FAA repair station database: <https://av-info.faa.gov/repairstation.asp>
- State-by-state European Union Aviation Safety Agency approval analysis: <http://arsa.org/easa-us-certificates/>
- Myths and facts about MRO: <http://arsa.org/wp-content/uploads/2020/11/ARSA-RepairStationFactsMyths-202011.pdf>

Parting Thoughts

- H.R. 5119 is a significant political threat to global aviation system
- Will impact entire industry (foreign and domestic RS, air carriers, manufacturers, general aviation, regulators)
- House action likely (whether on H.R. 5119 or more comprehensive FAA oversight bill), but timing is uncertain
- Foreign government concerns do impact U.S. policy process, so make your position known

Questions?

