

September 23, 2020

Submitted via www.regulations.gov

Ms. Patricia Watts
Grants Officer, Aviation Workforce
Development Grant Programs
NextGen Grants Management Branch
Federal Aviation Administration
800 Independence Avenue, N.W.
Washington, D.C.

Subject: FAA Aviation Maintenance Technical Workers Workforce Development Grant Program (Docket No. FAA-2019-0847)

Dear Ms. Watts:

The undersigned organizations submit these comments in response to the above referenced *Federal Register* Notice of Sept. 8, 2020 (“the Notice”) regarding the establishment of the aviation maintenance technical workforce development grant program (“the program”) authorized by Sec. 625 of the FAA Reauthorization Act of 2018 (Pub. L. 115-254) (“the law”).

Background

The program was created at the urging of our organizations and others that share our concerns about the economic and national security impact of the technician shortage that has long vexed the aviation industry.

Several studies conducted prior to the COVID-19 pandemic documented the problem. [A 2018 analysis by Boeing](#) suggested that airlines in North America would need 189,000 new technicians over the next two decades. The consulting firm Oliver Wyman forecast that demand for aviation maintenance technicians would outstrip supply by 2022. More than two-thirds of U.S. companies responding to the [Aeronautical Repair Station Association’s \(ARSA\) 2019 member survey](#) reported vacant technician positions. In 2019, ARSA projected the technician shortage was costing the U.S. aviation maintenance industry \$118.416 million per month (\$1.421 billion per year) in lost revenue opportunity.

The program’s creation reflected congressional concerns that if the technician shortage persisted, it would undermine the efficiency of the U.S. aviation system and make it more difficult for U.S. companies to capitalize on opportunities in the growing global aerospace market. Given that many aviation maintenance companies also provide services to the Department of Defense, the skills gap also had significant national security implications.

The pandemic has only heightened the need for the program. Economic conditions beyond their control have forced airlines, manufacturers, maintainers and other aviation companies that rely on technical talent to downsize.¹ When industry business activity returns to pre-pandemic levels, those companies will be in an even worse predicament than before because they have lost so many workers lost in recent months. Rapidly

¹ See, e.g., “Grim Picture of Pandemic’s Impact on Aviation Maintenance”, the Aeronautical Repair Station Association, July 28, 2020, <https://arsa.org/pandemic-survey/>.

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initiating the program will put building blocks in place now to ensure that America's aerospace companies have the technical talent they need in the future.

While we support the program's rapid initiation, as described below, we are concerned by three aspects of the Notice.

Eligible Applicants

The Notice fails to clearly articulate the requirement that grant applications must be submitted jointly by a school, governmental entity and business or labor organization. The Notice states that:

Section 625 of the Act identifies the following types of entities as eligible to apply for the Aviation Maintenance Technical Workers Workforce Development Grants:

- (a) Holders of a certificate issued under 14 CFR parts 21, 121, 135, or 145, or labor organizations representing aviation maintenance workers;
- (b) accredited institutions of higher education (as defined in 20 U.S.C. 1001), or high schools or secondary schools (as defined in 20 U.S.C. 7801); **or**
- (c) state or local governmental entities.² (Emphasis added.)

Elsewhere, the Notice states that "[i]ndividual entities ... are eligible to apply for a grant."³

In contrast, Sec. 625(c)(2) of the Act states that:

An application for a grant under the pilot program established under subsection (a)(2) shall be submitted, in such form as the Secretary may specify, by—

- (A) a holder of a certificate issued under part 21, 121, 135, or 145 of title 14, Code of Federal Regulations or a labor organization representing aviation maintenance workers;
- (B) an accredited institution of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001)) or a high school or secondary school (as defined in section 7801 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801)); **and**
- (C) a State or local governmental entity. (Emphasis added.)

The distinction between "and" and "or" for purposes of grant eligibility is significant. A major program goal is to encourage greater collaboration and coordination between schools, government, businesses and/or unions to address the maintenance industry technician shortage. One of the causes of the skills gap has been a misalignment between local industry needs and what students learn in school. The program was designed to encourage industry and schools to work to together to identify necessary skills and design curricula to teach them, with government providing oversight to ensure

² Period of Public Comment for the FAA Aviation Maintenance Technical Workers Workforce Development Grant Program is Open for 15 Days, 85 Fed. Reg. 55,568 (Sept. 8, 2020).

³ *Id.* at 55,569.

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the initiative properly served local needs. Because proposed initiatives must have buy-in from more than just the applicant, mandating collaboration will also act as a check to ensure government resources are spent effectively and that applications reflect a true consensus about local industry and community needs.

We therefore urge the agency to clarify and emphasize the joint application requirement in the upcoming Notice of Funding Opportunity (NOFO). We recognize that the agency may find it necessary to require applicants to identify a lead organization or individual to enhance accountability, transparency and efficiency in communication. However, to incentivize the collaboration its drafters intended and avoid the fragmentation in approach that has plagued past workforce initiatives, it is important that the agency insist that each application reflect partnership among the types of entities described in the statute. This could be done, for example, by requiring that an application package include, at a minimum, a letter from each of the required types of entities indicating their support for the initiative and willingness to work with the applicant to achieve its goals.

Stakeholder Consultation

We are also concerned that the Notice does not more proactively involve stakeholders in the program's implementation. Sec. 625(e) requires the Secretary, prior to selecting among competing applications, to, "consult, as appropriate, with representatives of aircraft repair stations, design and production approval holders, air carriers, labor organizations, business aviation, general aviation, educational institutions, and other relevant aviation sectors." The Notice falls far short of the drafters' intent by stating simply that the Notice and comment period are themselves the opportunity for stakeholder consultation. Given that the agency has yet to receive any competing applications from which to select, this does not conform to the letter of the law, let alone the spirit.

The stakeholder consultation language was included in the law to enhance the program's effectiveness and transparency. The drafters recognized that businesses, schools and labor organizations are on the frontlines of the technician shortage and have insights into causes and solutions that the FAA may not. Involving stakeholders in the program's implementation will also improve public understanding and confidence in the agency's decision-making.

To satisfy the requirements of the law, FAA should create a stakeholder body (e.g., a "Maintenance Workforce Advisory Committee") comprised of the representatives from the industry sectors detailed in Sec. 625(e). To avoid delays implementing the program and the awarding of grants, we are not proposing the panel consider each application; that task would fall to the FAA. Instead, the panel would serve as a vehicle for interested parties to review past awards, monitor the program's effectiveness, provide insights about industry employment trends, suggest ways to raise the program's visibility, encourage applications, advise when appropriate, and otherwise act as program ambassadors. While we appreciate that the panel would consume some FAA staff resources, appointment to the panel and continued service could be made contingent upon its members agreeing to play an active role in coordinating meetings, etc., thereby minimizing the agency's administrative burden.

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We appreciate and share the agency's desire to initiate the program in calendar year 2020. We are therefore not suggesting that the creation of the panel delay the NOFO or consideration of grant applications. Ideally, the agency would publish a notice this winter requesting applications for those interested in serving and empanel the body in the spring of 2021, after the first grants have been awarded.

Funding Restrictions

The Notice states that, "The FAA may cap the use of the grant funds for Indirect and Administrative costs to 5% of the total award." While we appreciate agency's desire to maximize the impact of the grant funds, we suggest that the cap be raised to 10 percent of the total award in keeping with the standard commonly used for federal grants, including Airport Improvement Program (AIP) grants administered by the agency. In addition to being a widely accepted standard, this *de minimus* rate of 10 percent more accurately reflects the costs associated with administering programs while still ensuring that the lion's share of grant funds is used in furtherance of the program's purposes.

Conclusion

Given the many mandates and directives in the 2018 FAA reauthorization law, we appreciate the agency making the program a priority and look forward to working with you to make it a success.

If you have questions or require further information, please contact Christian A. Klein, executive vice president of the Aeronautical Repair Station Association at 703.739.9543 x 106 or christian.klein@arsa.org.

Sincerely,

Aeronautical Repair Station Association
Aircraft Mechanics Fraternal Association
Aircraft Owners and Pilots Association
Aviation Technician Education Council
Cargo Airline Association
Experimental Aircraft Association
General Aviation Manufacturers Association
Helicopter Association International
International Council of Air Shows