

121 North Henry Street Alexandria, VA 22314-2903 T: 703 739 9543 E: arsa@arsa.org www.arsa.org

July 30, 2021

Original Delivered by Email to: <u>dotexecsec@dot.gov</u> steve.dickson@faa.gov

The Honorable Peter Buttigieg	The Honorable Steven Dickson
Secretary	Administrator
U.S. Department of Transportation	Federal Aviation Administration
1200 New Jersey Avenue, S.E.	800 Independence Avenue, S.W.
Washington, D.C. 20590-0001	Washington, D.C. 20591-0001

RE: Promoting Competition EO – Inconsistent Enforcement of FAA ICA Rules

Dear Secretary Buttigieg and Administrator Dickson:

President Biden's July 9, 2021 Executive Order (EO) (<u>"Promotion Competition in the American Economy"</u>) establishes a whole-of-government policy to address overconcentration, monopolization, and unfair competition in the American economy. Agency heads are directed to consider and address the impact of regulations on industries under their jurisdiction.

For decades, the Aeronautical Repair Station Association (ARSA), the trade association for the aviation maintenance industry, has battled the anticompetitive impact of the Federal Aviation Administration's (FAA) inconsistent enforcement of rules requiring aircraft manufacturers to provide and maintainers to possess maintenance information.

<u>14 CFR § 21.50(b)</u> and its <u>predecessors</u> require design approval holders (DAH) to prepare information essential to continued airworthiness (euphemistically, ICA or maintenance manuals) and "make it available" to persons required to comply with the terms of those instructions. Owners are required to ensure the information is followed; certain maintenance providers are required to possess and/or perform maintenance in accordance with the information.

Notwithstanding the clear language and safety intent of § 21.50(b) and predecessor requirements, many DAH's have refused to make ICA available and the FAA fails to enforce these obligations. However, the agency has vigilantly enforced the requirement that those performing maintenance possess and follow the manufacturer's instructions (see §§ 43.13, 145.51 and 145.109).

By allowing DAHs to withhold regulatorily-required information from potential competitors (whether through outright denial, licensing schemes, or economically impractical prices), the FAA is complicit in extending the government-induced monopoly on required replacement parts and limiting competition in maintenance services. The victims are not

July 30, 2021

The Honorable Peter Buttigieg The Honorable Steven Dickson Page 2

RE: Promoting Competition EO – Inconsistent Enforcement of FAA ICA Rules

only repair stations (the majority of which are small and medium-size entities), but also the general and commercial operators (and their passengers and customers) who rely on repair stations and independent mechanics to keep aircraft airworthy. Given that some of the offenders are foreign DAHs, FAA's enforcement policy also disadvantages U.S. companies seeking to compete internationally.

With the foregoing in mind, we urge you to ensure this issue is addressed by the DOT competition working group directed by the EO and that ending FAA's inconsistent enforcement of ICA rules is part of the implementation plan.

ARSA and its members stand ready to meet with you and your staff and provide whatever additional information and support is necessary.

Thank you for your consideration.

Sincerely,

Christian A. Klein Executive Vice President T: 703.739.9543 x 106 M: 703.599.0164 E: <u>christian.klein@arsa.org</u>

cc: Mr. Timothy Wu Special Assistant to the President for Technology and Competition Policy National Economic Council timothy.wu@who.eop.gov