

Josh Krotec, President

Aeronautical Repair Station Association Annual Report – Prepared Remarks

March 17, 2023

The Ritz-Carlton, Pentagon City

Good morning, it is my pleasure to call the 2023 Annual Meeting of the members of the Aeronautical Repair Station Association to order.

My name is Josh Krotec. I'm senior vice president at First Aviation Services and ARSA's 2023 president. I have the rare honor of being the primary member contact for three different association member companies owned by First Aviation: Aerospace Turbine Rotables, Aviation Blade Services, and Piedmont Propulsion. Thankfully, ARSA's team keeps its contact list so effectively that I only get one copy of each periodical and member alert...and I've learned to quickly respond to correspondence about membership renewal.

My predecessor Terrell Siegfried focused his presidency on enhancing membership processing, improving renewal rates through focusing on the work of the association. I've picked up that torch, with a focus on enhancing involvement and learning to deal with governments, and government agencies, in order to improve aviation policy. Since joining the association, my companies have experienced firsthand the weight ARSA brings to every policy debate and have benefitted countless times from the counsel of Sarah, Christian, and the team. So, as president I pledge to bring those benefits and lessons to the membership.

In this "state of the association," I get to illustrate how ARSA continually serves our collective interests, in particular before the FAA and its international counterparts, although ARSA's reach extends to many federal agencies and the legislative branch.

Before I get to that, though, let's acknowledge the people who make that work possible.

As tradition dictates, I will begin with my fellow members of the board.

First, my fellow officers: Gary Fortner of Fortner Engineering and Manufacturing (which is now part of Wencor's enterprise membership) currently serves as ARSA's vice president. Gary is the board's senior member – he's nearly achieved "Godfather" status – and agreed to fill a vacancy in the officer ranks for one year. Our treasurer, Bob Mabe is making his first round through the top spots on the board since he joined us in 2020.

I mentioned Terrell already by highlighting his great work sharing ARSA's story. Terrell's company, NORDAM, has been a member of the association since the beginning and Terrell's family and its business have been steadfast supporters of the collective work. He couldn't be here this week, but made sure his team was well represented and will likely be watching session recordings later...so I will refrain from making any jokes about his absence.

Before getting to some of the board's newer members we must look beyond American borders to recognize Warner Calvo's representation of international members on behalf of Coopesa. Despite the distance, Warner has not missed an in-person event – including the Conference each spring and also our annual board meeting and leadership roundtable meetings in the fall – as long as I've been around. I'd be surprised to learn that he'd ever missed one.

That brings me to our fresher faces. John Riggs of Chromalloy has just been elected to his first "full" term, but he is a somewhat elder statesman to a group of newly elected members. Rob Roedts of Columbia Helicopters eagerly joined the board to fill a

vacancy created when his Scott Jacob left that company. You may not know this, but the association's board is selected to ensure coverage of every sector of the maintenance industry, which means that though Scott was a valued colleague, his departure from Columbia required new board representation for the rotorcraft community. Rob has clearly hit the ground running, as he and John shared the Symposium stage with Sarah and Brett yesterday to bring their own insight to this world class event.

Alison McHugh of FEAM Aero and John Silva of AeroKool have also been elected to the board in the past year. Though they are both new as directors, each has long experience in the industry and represent companies that not only have strong track records in the business but also are committing to the association's success.

Overall, the board's commitment is on full display this week. You will notice that every single company I just mentioned is also represented on the list of Conference sponsors you've now seen celebrated repeatedly. While I was incredibly proud to represent the first committed sponsor for this year's event, I'm even more thankful to be president in the year of 100 percent board conference sponsorship. This is just an illustration the group's dedication to supporting an organization that provides such a rich return on investment. Thank you.

I'm also happy to thank those other companies that committed to sponsor this event. We once again broke the record – set last year – for the most “platinum” level sponsors, bringing back Aircraft Electric Motors, MOOG, and MRO Holdings from 2022 and welcoming our European friends from Lufthansa Technik back as conference sponsors for the first time since the pandemic.

The "Gold" ranks boast two additional names, both quite familiar: AAR and HEICO. Each of these companies not only provide perennial support of the Annual Conference, each is also a constant participant in ARSA's work, taking regular advantage of association resources and adding time and talent to the efforts that help all.

The "Silvers" are a great list of old friends. Delta TechOps, Component Repair Technologies, and TCI show up on the signs and around our necks (in TCI's case) every year.

Rounding out the list of companies that have made this Conference possible are Columbia Helicopters, Earp Aviation Repairs, the Giles Group, and ARSA's management firm, Obadal, Filler MacLeod & Klein – also known as OFMK.

Thank you all.

ARSA is led by Sarah MacLeod, our executive director, who was instrumental in founding the association more than three decades ago. Aside from providing strategic direction, she's also the association's primary regulatory specialist. Her law and life partner Marshall Filler has long served as managing director and counsel. Like Sarah, Marshall is a globally recognized aviation regulatory expert. As many of you know, Marshall is currently in what he likes to call "partirement". He's still involved in ARSA, but he's primarily helping to prepare the next generation of association leaders while spending more time on grandkids and golf, among other things.

Christian Klein is the association's executive vice president and Marshall and Sarah's law partner at OFMK. He's long overseen ARSA's policy advocacy activities, but

in recent years has become more involved in ARSA's day-to-day administration and has taken over from Marshall as ARSA's international representative.

Brett Levanto, ARSA's vice president of operations, does an outstanding job coordinating the association's communications, leading industry-facing workforce activities, and supporting ARSA's regulatory work.

Kimberly Dimmick, who has worked with ARSA for five years, was recently promoted to vice president of membership. It's a testament to the great work she does every day managing ARSA's relations with repair stations and other member companies around the world. It is also in acknowledgement of her saving the association over 10 grand annually in bank fees by switching the way credit cards payments are processed.

The folks I just mentioned are also supported by two key contractors – Michael O'Born and Collette Mighty – who respectively support ARSA's administrative, publication, and membership activities. Michael is always involved in planning this Conference and has supported many over his career, since in a previous life he was an association team member and has plenty of stories about past events...if you can, ask him about the year when a marching band started playing. Collette was referred to ARSA by my fellow board member Alison McHugh, showing just one of the many "little" ways the board is always looking out for the association.

Another important contractor is the association's financial manager, Maike Denda, who has brought her experience and talents to bear simplifying the association's finances, improving processes, and helping the Board and team better understand where our money comes from and where it goes.

On behalf of ARSA's entire membership, I want to thank all the folks whose names I've just mentioned for the outstanding work, the commitment to our industry, and for putting on another great meeting. Let's give the ARSA team a round of applause. [WAIT FOR APPLAUSE].

Thank you.

Last year, Terrell pulled back the curtain on some ARSA's operational changes. As he said, database development and membership procedures aren't sexy, but they are critical to the association's long term growth. In 2022, our member retention rate was better than 90 percent...it's become close to a certainty that member companies renew each year thanks to careful management of the process (and a lot of reminders). On that topic: Please respond to membership renewal notices. ARSA's talented team is stretched thin and every email they have to send you reminding you that your membership is on the verge of expiring is time they aren't spending doing other things to move ARSA forward. Help them help us by being responsive.

This past year, another major behind-the-scenes change happened: The team took back in-house control of periodical distribution and advertising sales. After 15 years of partnership with an outside vendor, ARSA is in full command of its communications for the first time since 2008. You might have noticed a new, consistent look to both the *Dispatch* and *hotline* newsletters, but the change goes far beyond the design of the messages.

It is important in a couple ways. First, we are in full control of the contact list. Those membership procedures I mentioned above can't be fully effective when carefully

choreographed messages are going to dead or incorrect email addresses. Instead of focusing on services for the industry, the team is constantly scrubbing a shoddy list of contacts. Our typical distribution through that outside vendor had countless "suppressed" addresses that had bounced so many times the system didn't even try to email them...despite our best efforts, we could never wrangle those bad contacts.

Things are different now: The member alerts that publicized this Conference were sent almost entirely free of bounces. In providing member benefits, having that clean of a distribution list is invaluable.

Speaking of value brings me to the next benefit of this decision: Advertising in ARSA has always been a great way to show connection to the aviation community, not just repair stations but the operators, manufacturers, and service providers this association represents. Previously, investments made in ARSA's ads went primarily to the company that ran the system, with royalties paid to the association. Now, advertise in an ARSA newsletter or on its web, and the money goes to ARSA. I ask that you consider advertising, but more importantly steer your partners and service providers towards these opportunities: Anyone benefitting your business would surely benefit other members and showing off in three different periodicals and on the website of the only association serving the repair station community is certainly a way to get the word out. Ask Brett for more information or steer colleagues toward arsa.org for advertising contracts and information.

On the advocacy front, the team has focused considerable energy over the last year to resolve the EASA parts documentation issue, which you heard about yesterday. Sarah has also been hard at work on her effort to overhaul how part 145 and its related

guidance is structured and make sure the guidance properly reflects the regulations. It's a mammoth task but who better than Sarah MacLeod to straighten out the FAA for us.

As you've heard at this conference, there's an FAA reauthorization looming, which poses opportunities and risks. ARSA has developed a comprehensive reauthorization agenda that addresses both regulatory and workforce challenges ARSA members have identified. We've made considerable progress in building our legislative program in recent years and the results – the new workforce grant program, part 147 overhaul, and hundreds of millions of dollars in pandemic relief for our industry – speak for themselves. But ARSA has limited resources and Christian is our only congressional lobbyist – meaning he's the point of the spear when it comes to engaging with Congress's 535 House and Senate personal offices and countless committee offices. He's good, but he can't be everywhere at once and we won't be successful unless ARSA members are engaged.

Thanks to all of you who spent time on the Hill this Wednesday during Legislative Day. I hope that even if you didn't, you'll still track of ARSA's legislative activity and answer the call to engage with congressional offices as the FAA reauthorization process proceeds and Christian reaches out to you. Thanks to Aircraft Electric Motors for supporting our online grassroots action website, which you can use to communicate with your congressional offices. And please take a minute to respond to the 2023 ARSA member survey (if you haven't already). The information you provide about economic trends, employment, and policy priorities is essential to telling our story to Congress, regulators, the media, and other key audiences.

ARSA's also been very active on the workforce front. Brett spent two years serving the Youth Access to American Jobs in Aviation Taskforce created by the last FAA bill and made significant contributions to the task force report released in September. If you care about the maintenance workforce, give it a read. Aside from policy recommendations, it's chock full of best practice recommendations to recruit the next generation of technicians our industry so desperately needs. And ARSA has been relentless in keeping the FAA on track in its implementation of the technician grant program that Christian led the charge to create in 2018. I'm very proud to say that two ARSA member companies recently received grants to support their local recruitment and training initiatives.

Those are just some of things that ARSA has done and is doing. Use whatever cliché you like: punching above its weight class, the little trade association that could, the simple fact is that ARSA's work is vital to our collective success. But for ARSA to continue to be successful, we all need to engage more aggressively on an individual basis.

I know I'm preaching to the choir. You're here and your commitment speaks for itself. But your contribution to our collective success shouldn't end when you walk out the door today.

If you look at the ARSA membership list, which is linked on the website membership page, you'll see the names of most of the industry's major players. But many repair stations aren't members and regardless of whether you're a large multinational or small, family-owned maintenance operation, ARSA is working for you. The more members we get, the more resources we'll have to support the work we all know is so important. There's simply no excuse for not reaching for mutual success. I hope you'll

take a look at the member list and encourage companies that you don't see to join. And if contributing to ARSA's success isn't enough of a reward, remember that you get a 10 percent credit on your dues for every paying member you recruit—so if you are looking for a free membership, get cracking.

ARSA has also focused considerable energy on building its visibility within our member companies. It's important for the health of the organization because the more folks that receive ARSA communications, the less likely it is that a membership renewal notice or conference invitation will slip through the cracks. But it's not just about ARSA. The association has a wealth of resources different members of your team will find valuable. For your C-suite execs, it might be the economic data and congressional work. Your human resources people should know that ARSA has a massive online training library on topics like human factors and drug and alcohol testing program compliance and can refer you to OFMK for customized training for your company. ARSA's value to your technicians and regulatory compliance team members is obvious: we've got training, we've got compliance resources, and answers to regulatory questions are just an email away. So, please, help build ARSA's visibility back home. Brief your colleagues on what you learned at this meeting. Forward communications you receive. And when Kimberly reaches out for member database updates, make sure all members of your team can receive member benefits.

Also keep in mind that ARSA recently unveiled its model repair station quality manual, which was developed by Sarah and Brett. If you're overhauling your procedures, consider doing it "the ARSA way". And when you hear someone is thinking of starting a

repair station, tell them about the manual system. Remember that the money you spend on ARSA services supports all the association's good work.

I'm very proud of what ARSA has achieved for all of us. There's always more to do, but ARSA has a better chance of getting the job done than any other association I know. I could say much more about all the ways ARSA serves our needs, but I'm not going to. Instead, I'm going to end my remarks here and open the floor for questions and discussion...

[OPEN DISCUSSION, ASSISTED BY ARSA TEAM]

Thank you all again for being here and for the support you give ARSA. Thank you to my colleagues on the ARSA Board for your commitment and leadership. Thank you to the ARSA team for everything you do for us and for putting together this great Conference. I hereby adjourn the 2023 annual membership meeting and look forward to seeing you all back next year.