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The Honorable Maria Cantwell Chair, Committee on Commerce, Science & Transportation U.S. Senate Washington, D.C. 20510

The Honorable Sam Graves Chairman, Committee on Transportation & Infrastructure U.S. House of Representative Washington, D.C. 20515

The Honorable Tammy Duckworth Chair, Subcommittee on Aviation Safety, Operations & Innovation U.S. Senate Washington, D.C. 20510

The Honorable Garret Graves Chairman, Subcommittee on Aviation U.S. House of Representatives Washington, D.C. 20515 The Honorable Ted Cruz Ranking Member, Committee on Commerce, Science & Transportation U.S. Senate Washington, D.C. 20510

The Honorable Rick Larsen Ranking Member, Committee on Transportation & Infrastructure U.S. House of Representatives Washington, D.C. 20515

The Honorable Jerry Moran
Ranking Member, Subcommittee on Aviation
Safety, Operations & Innovation
U.S. Senate
Washington, D.C. 20510

The Honorable Steve Cohen Ranking Member, Subcommittee on Aviation U.S. House of Representatives Washington, D.C. 20515

#### RE: Federal Aviation Administration Reauthorization Recommendations

Dear Chairs Cantwell, Graves, Duckworth and Graves and Ranking Members Cruz, Larsen, Moran, and Cohen:

The Aeronautical Repair Station Association (ARSA) respectfully requests the aviation regulatory and workforce policy proposals described below be included in the Federal Aviation Administration (FAA) reauthorization bill currently being drafted by your committees.

# (1) About ARSA and the Aviation Maintenance Industry

ARSA is the trade association for the global aviation maintenance industry (colloquially, known as "maintenance, repair, and overhaul" or MRO), which employs almost 254,000 U.S. workers and generates \$43.2 billion in annual economic activity in the United States. The association's regular members are companies certificated by the FAA pursuant to 14 CFR part 1451 (or equivalent foreign regulations) allowing them to perform maintenance, preventive maintenance, and alterations of aircraft, airframes, aircraft engines, propellers,

<sup>&</sup>lt;sup>1</sup> All references are to Title 14 of the Code of Federal Regulations unless otherwise indicated.

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appliances, and component parts. By providing these services to commercial, business, and general aviation operators, the military, and the federal, state, and local governments, our members keep the nation's fleet airworthy. There are more than 4,000 repair stations in the United States, many of which also hold certificates from other civil aviation authorities. For example, more than 1,400 U.S. repair stations are approved by the European Union Aviation Safety Agency (EASA) to perform work on aviation products and articles under EASA's regulatory jurisdiction. ARSA's membership also includes leading manufacturers, airlines, industry suppliers and service providers, educators, and members of the military.

# (2) Regulatory Recommendations

The U.S. commercial aviation sector has an outstanding safety record. Approximately 250 million passengers fly in the United States each year but there have only been two passenger deaths in part 121 scheduled service in the last decade. While the FAA deserves some credit, the quality of its oversight has deteriorated in recent years and the agency is in dire need of a course correction.

ARSA members regularly complain about front-line agency personnel providing conflicting or incorrect interpretations of the rules and regulating based on "local inspector preference" or agency guidance rather than the regulations. At headquarters, agency leaders (many of whom are in "acting" positions) are slow to respond to industry recommendations to improve policy (if they respond at all), thus undermining the growth, efficiency, and global competitiveness of the rapidly evolving U.S. aviation industry.

FAA's selective enforcement of the rules is another common problem. For example, the maintenance industry has complained for decades that regulators ignore rules (e.g., § 21.50(b)) requiring Design Approval Holders (DAH) to make instructions for continuing airworthiness (i.e., maintenance manuals) available. However, the agency zealously enforces § 145.109(d), which requires repair stations to have the data current and accessible when the relevant work is done.

The FAA risks falling behind other authorities in its global leadership. While the FAA may once have been respected as "the gold standard" of aviation regulation, that status is in serious jeopardy as foreign Civil Aviation Authorities (CAA) such as EASA benefit from better trained personnel, consistent leadership, a global perspective, and a more internally consistent regulatory framework.

With the foregoing in mind, as the reauthorization process proceeds, Congress must focus on improving FAA personnel training and professionalism, enhancing transparency, empowering the agency to adjust more rapidly to changing circumstances, and strengthening the agency's hand in its relationships with other global aviation authorities. Doing so will make

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the agency – and industry – more effective and enhance safety. We therefore recommend the bill include the following regulatory policy provisions:

## (A) Aviation Rulemaking and Exemption Due Process (PLANE Act § 104)

The FAA frequently fails to act (or even respond) to petitions for rulemaking to improve regulations and guidance. As proposed in § 104 of the <u>PLANE Act</u> introduced in the 117<sup>th</sup> Congress by Senators James Inhofe and Angus King, we recommend improving due process for petitioners by directing a rulemaking to:

- Add the number of certificate holders affected, the impact of the proposed rulemaking, and the number of organizations requesting the rulemaking as factors to consider in making a decision on a petition.
- Require the agency to designate an FAA employee to manage each petition filed and
  requiring the petitioner be notified within 30 days of submission of the name and contact
  information of the responsible FAA employee, how the FAA will dispose of the petition, a
  timeline for action (if the agency agrees that action is warranted), and, if the petition does
  not justify action, specific information about the why the agency is rejecting it.
- Require the FAA to report to Congress each year on the number of petitions submitted, the regulations affected, and the nature, status, and disposition of the petitions.

# (B) Timely Resolution of Investigations

After a repair station responds to a letter of investigation, it is not uncommon for the agency to never reply. An open investigation is a cloud hanging over maintenance businesses that may impede the ability to obtain additional FAA or foreign CAA approvals, sell the company, merge, etc. We recommend improving transparency and due process for all certificate holders by directing a rulemaking to:

- Require the completion of an investigation and a decision by the Administrator on whether
  to initiate a subsequent action within two years from the date a letter of investigation is
  issued.
- Prohibit the FAA from withholding its approval of or denying any application or request from a certificate holder based on a <u>pending</u> investigation except where (a) the FAA has found that an emergency exists in air commerce or air transportation, (b) there have been <u>adjudicated</u> findings of violation against the certificate holder that are directly related to the application or request, or (c) issuing the approval or granting the application or request is clearly contrary to law or regulations, in which case the agency must specifically cite the relevant authorities on which it is relying.

### (C) Voluntary Surrender of Repair Station Certificates (PLANE Act § 601)

In 2014, the FAA took the unprecedented step of subjecting surrendered repair station certificates to "acceptance for cancellation" rather than allowing unilateral surrender. This has created confusion, as the agency has no procedures or guidance for "accepting" the surrendered certificate. Since the FAA's ability to investigate individuals is unaffected by the surrender of an entity's certificate, prohibiting a repair station from voluntarily surrendering its certificate without the FAA's blessing bears no rational connection to the aim of ensuring

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safety through the investigation and banishment of "bad actors." It does, however, increase administrative burdens and inconveniences companies wishing to sell, restructure, or close their businesses. As proposed in § 601 of the PLANE Act, Congress should once again allow repair stations to voluntarily surrender their certificates by directing a rulemaking to:

- Restore the right of a repair station to unilaterally surrender its certificate.
- Prevent an individual who materially contributes to the revocation of a repair station certificate or causes the initiation of a process to revoke such a certificate from reentering the industry; and
- Clarify that a repair station that terminates an individual who materially contributes to the revocation of the repair station's certificate may reapply for a certificate.

# (D) Enhancing International Cooperation

Global regulatory cooperation between trusted, competent civil aviation authorities (e.g., via Bilateral Aviation Safety Agreements (BASA)) enhances safety and makes oversight and compliance more efficient.

One important opportunity for cooperation is mutual acceptance of repair station certificates, by which a certificate or approval issued by one CAA (and the certificate holders' corresponding approvals for return to service) are accepted by another CAA without that CAA having to certificate or approve the repair station itself. A <u>2011 AeroStrategy study</u> determined that it costs repair stations significantly more (up to two and half times as much) to become certificated by "foreign" CAAs when the home country does not have a BASA with the associated foreign country.

However, except for Canadian approved maintenance organizations, FAA regulations require any person performing maintenance on products and articles under FAA's jurisdiction to hold an FAA certificate. ARSA and 14 other aviation trade groups <u>petitioned the FAA</u> in 2020 to amend its rules to enable the agency to enter into bilateral agreements allowing for mutual acceptance <u>if and when the FAA chooses to do so</u>. Because the FAA has not acted on the petition, the agency should be directed to conduct a rulemaking to:

- Add a new paragraph to § 43.3 stating that the holder of a maintenance organization certificate issued by a foreign civil aviation authority may perform maintenance, preventive maintenance, and alterations provided the FAA has entered into a bilateral agreement with that authority for the reciprocal acceptance of such maintenance organization certificates.
- Add a corresponding new paragraph to § 43.7 stating that the holder of a maintenance organization certificate issued by a foreign civil aviation authority may approve the work performed on an aircraft, airframe, aircraft engine, propeller, appliance, or component part for return to service provided the FAA has entered into a bilateral agreement with that authority for the reciprocal acceptance of such approvals.

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## (E) Enhancing Access to Maintenance Data

Section 21.50(b) and its predecessors require DAHs to prepare Instructions for Continued Airworthiness (ICA) and make that information available to persons required to comply with the ICA's terms. Owners are required to ensure the information is followed; maintenance providers are required to possess and/or perform maintenance in accordance with the information (see §§ 43.13, 145.51 and 145.109). However, the lack of clear guidance regarding DAH obligations has led to the proliferation of practices that are inconsistent with the language and intent of ICA requirements, including absolute refusals to provide data, onerous licensing policies, and economically impractical pricing. These practices limit competition and operator choices about where maintenance is performed. As requested in the petition to the FAA submitted by ARSA and 13 other aviation trade groups in December 2021, the agency should be directed to:

- Assign a task to the Aviation Rulemaking Advisory Committee (ARAC) to:
  - Perform a comprehensive review of past and current FAA regulations and related internal and external guidance material and to explore how other federal agencies handle requirements to provide information like ICA.
  - Develop a report with recommendations on guidance and/or regulatory changes to define the words and terms, clarify the DAH's obligations to develop and make ICA available, create methods to identify and provide access to ICA, and create mechanisms to accept complaints, resolve disputes and enforce obligations.

#### (F) End Misapplication of FAA Guidance

Agency personnel increasingly regulate through FAA guidance by demanding certificate holders follow it (unless a deviation is obtained) even when it is contrary to the plain language of the regulations. This guidance has not been adopted pursuant to the Administrative Procedure Act. Therefore, the bill should:

- Include report language to confirm that unless a course of conduct is specifically prohibited by FAA regulations, the agency must allow it.
- Amend Title <u>49</u> of the U.S. Code (USC) to prohibit the FAA from enforcing guidance, requiring deviations from guidance, or denying a certificate holder's request or application based on guidance unless that guidance is supported by a specific law or regulation.

### (G) Limit Reversal of Previous Agency Decisions

ARSA members have encountered situations in which an approval issued by the FAA is subsequently questioned by different FAA inspectors although no safety issue or change in the certificate holder's operations has occurred. Certificate holders should not be forced to comply with local inspector preference unless supported by the regulations and, if this occurs, senior personnel should be informed so they can determine whether the inspector's request is valid. Therefore, we recommend 49 USC be amended to:

 Prohibit the FAA from reversing previous agency approvals issued to a certificate holder without the express written consent of the executive director of FAA's Flight Standards Letter to Chairs Cantwell, Graves, Duckworth and Graves and Ranking Members Cruz, Larsen, Moran, and Cohen February 28, 2023 Page 6 of 9

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Service and/or Aircraft Certification Service, as applicable, or their delegees who must hold a management position in a policy office.

#### (H) Clarify Supplemental Type Certificate Requirements

FAA rules distinguish between a major alteration that introduces a major change in type design, which requires a Supplemental Type Certificate (STC), and a major alteration which does not require an STC. Both must be performed in accordance with the same approved technical (i.e., engineering) data and therefore produce the same safety outcome. However, the agency has not clearly explained the differences between these two processes, which results in confusion in the industry and agency personnel questioning whether an STC should have been obtained even though the alteration in question was performed in accordance with FAA-approved data. The agency should therefore be directed to:

 Develop and implement a policy that clearly explains the differences between a major alteration that introduces a major change in type design under 14 CFR § 21.113(b)) and a major alteration that does not require an STC.

## (I) Maintain Current Foreign Repair Station Oversight Regime

During the last Congress, the House passed the Global Aircraft Maintenance Safety Improvement Act (GAMSIA) (H.R. 7321), which would impose new requirements on some FAA certificated repair stations outside the United States and new restrictions on their use by U.S. air carriers. ARSA opposes GAMSIA and urges that it not be included in the FAA reauthorization bill because it is unnecessary in light of the industry's safety record, existing federal regulations, and the scrutiny repair stations already receive from U.S. regulators, customers, and third-party accrediting bodies.

If the legislation becomes law, U.S. air carriers and general aviation operators that rely on FAA-certificated facilities around the globe may be unable to get their aircraft serviced at certain foreign destinations. In addition, the ability of U.S. manufacturers and maintainers to establish overseas facilities to support customers in the global marketplace will be restricted. GAMSIA also threatens the cooperation with other CAAs (including key bilateral aviation safety partners) that is so vital to improving aviation safety. Finally, we question the wisdom of adding significant new oversight responsibilities to the FAA given its present human resource challenges.

For all these reasons we urge that no provisions imposing new restrictions on the certification and use of foreign repair stations be included in the bill.

#### (3) Building America's Aviation Workforce

For the last decade, a shortage of maintenance technicians and pilots has undermined the efficiency of the aviation system. The crisis shows no signs of abating and, indeed, will likely worsen as the industry grows. According to the consulting firm Oliver Wyman's recently-released <u>Global Fleet and MRO Market Forecast 2023-2033</u>, the global MRO sector is

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"expected to grow another 22 percent this year, topping \$94 billion — a mere two percent below its 2019 peak. By 2033, it will reach \$125 billion — a compound annual growth rate of 2.9 percent. In 2022, MRO demand expanded 18 percent." Oliver Wyman also reports that a shortage of pilots and technicians is the primary headwind for the industry:

[T]he most vexing challenges for aviation were widespread labor shortages across every sector of aviation and in most regions. In North America, the industry is facing two potentially severe shortfalls in the ranks of <a href="commercial airline pilots">commercial airline pilots</a> and <a href="aircraft">aircraft</a> mechanics. By our analysis, the supply gaps already amount to 18 percent of the total pilot workforce in 2023 and 14 percent of aviation mechanics. The outlook is for those deficits to grow or at least linger through 2033. The gap in the number of pilots needed and those available has already led to reductions in service to less popular and more rural destinations and has hit regional airlines hardest.

Oliver Wyman's findings are consistent with the preliminary results of ARSA's 2023 member survey, in which 80 percent of respondents to-date expect their revenues and markets to grow in 2023, 89 percent intend to add positions and hire new workers this year, and 77 percent identified difficulty finding and retaining technical talent as a significant threat to their company's profitability, revenue, or workforce forecast. As such, we recommend the following policy initiatives be included in a workforce title of the FAA reauthorization bill:

#### (A) Expand and Enhance Sec. 625 Grant Programs.

Section 625 of the 2018 FAA reauthorization law authorized new grant programs to recruit and train technicians (\$5 million) and educate pilots (\$5 million). The FAA initiated the programs in 2021 and received more than 300 applications for the \$10 million available, reflecting pent up industry demand and the scale of aviation workforce challenges. Additionally, the 2018 law directed the creation of a Youth Access to American Jobs in Aviation Task Force (YIATF) and a Women in Aviation Advisory Board (WIAAB) to explore workforce development challenges and opportunities. The reports issued by YIATF and WIAAB contain myriad suggestions for improving engagement, recruitment, training, retention, etc. Many of these, while not appropriate for congressional action, could be pursued by stakeholders (including schools, companies, labor organizations, governmental entities, etc.) if additional funds were available for the grant programs. The grant program should be reauthorized, funding should be increased, and modifications should be made to improve access to grant resources, ensure that successful programs may continue to receive funding, and improve FAA's implementation. Specifically, the bill should:

- Increase funding to at least \$20 million for each grant program.
- Create additional grant programs to address workforce challenges in other sectors of the aviation industry.
- Increase the maximum technician program grant from \$500,000 to \$1,000,000.
- Clarify that previous receipt of a grant is not a bar to a future grant award.

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- Expand technician program grant applicant eligibility to include 501(c)(3), (c)(4) and (c)(6) tax exempt organizations.
- Clarify that schools certificated under 14 CFR part <u>147</u> are eligible to participate in a technician grant application.
- Prioritize technician grant support for secondary school programs leading to students' federal certification or receipt of an industry-recognized credential.
- Reaffirm the statutory requirement that technician program grant applications require
  participation by a government entity, school, and certificate-holding business or labor
  organization.
- Reaffirm the statutory requirement that the FAA consult with industry on implementation.
- Require the FAA to report annually on the status of projects receiving grants to ensure best practices and innovative concepts are shared throughout the industry.

### (B) Improve Transition of Military Maintenance Professionals to Civil Aviation

The Aviation Technician Education Council estimates the civil aviation industry is capturing less than 10 percent of exiting veterans with aviation maintenance experience, in part because there is no clear path from the military to civil certification. The FAA reauthorization bill should direct the agency to:

- Create a military competency examination that will provide a pathway to mechanic certification for servicemen and women, similar to that available for military pilots.
- Fast track repairman certificate applications for individuals with military technical experience applicable to aviation maintenance, even those from non-aviation specialties, but insufficient to qualify for "full" mechanic certification.

#### (C) Create a National Center for the Advancement of Aviation

The United States lacks a comprehensive aviation workforce strategy. The NCAA Act (which passed the House in 2022 as H.R. 3482) would create a new, independent entity to facilitate collaboration and cooperation between aviation and aerospace stakeholders to support and promote civil and military aviation and aerospace. Among other things, the NCAA would support the development of aviation and aerospace education curricula, promote aviation and aerospace employment opportunities, and support Armed Forces personnel seeking to transition to careers in civil aviation or an aerospace-related fields. The NCAA could also ultimately take over administration of the Sec. 625 grant programs to allow the FAA to focus on oversight. The bill should:

Authorize the establishment of, and funding for, the NCAA.

## (D) Improving Interagency Coordination and Data Collection

The WIAAB identified significant data gaps that make it difficult for the industry and government to quantify the worker shortage "including in breadth across occupations and entities, depth in terms of granularity, consistency and comparability, and access". The WIAAB also pointed out that" [c]ollecting metrics and statistics to measure and track key data points is critical to establishing baselines, developing strategies, measuring progress, and

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tracking the impact of investments towards increasing the recruitment, retention, and advancement of women in aviation." We therefore recommend that the bill:

- Direct the creation of an Aviation Workforce Interagency Working Group comprised of representatives from FAA and Departments of Transportation, Labor, and Education.
- Task the Working Group to identify data gaps and ways to improve government data collection and analysis, including expanding FAA U.S. Civil Airmen Statistics as recommended by the WIAAB.

# (E) Reducing Barriers to Entry.

Students are disincentivized from pursing high school aviation maintenance programs because the schools may not—unlike their pilot program counterparts—refer their students to an FAA-approved testing center to take the general written knowledge portion of the mechanic exam required by § 65.71(a)(3). Section 65.75(c) permits applicants to take the general knowledge exam prior to meeting the applicable experience requirements only if the applicant, "presents an authenticated document from a certificated aviation maintenance technician school" (emphasis added) evidencing the date of completion of the general knowledge portion of the school's curriculum. This is particularly troubling given industry efforts to develop high school programs and the conclusion of the YIATF that "youth are highly influenced toward their potential career paths at the ages of 10 and 18." We therefore recommend that the bill:

 Direct a rulemaking to amend part 65 to allow mechanic certificate applicants to sit for the general knowledge test prior to meeting those experience requirements if they have completed the appropriate curriculum in conjunction with a high school program.

Thank you for considering our recommendations. ARSA and its members look forward to working with you in the months ahead to complete the reauthorization process by the end of the fiscal year.

Sincerely,

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cc: All Members of the Senate Committee on Commerce, Science and Transportation All Members of the House Committee on Transportation & Infrastructure