

Advocacy Recommends That FAA Reassess Impact of Proposed Aviation Repair Stations Rule on Small Business

On November 19, 2012, the U.S. Small Business Administration's (SBA) Office of Advocacy (Advocacy) submitted comments to the Federal Aviation Administration (FAA) on FAA's *Proposed Repair Stations Rule*. [77 Fed. Reg. 30054 (May 21, 2012)]. FAA's proposed rule would amend FAA regulations for aviation repair stations by revising the system of ratings, repair station certification requirements, and the regulations on repair stations providing maintenance for air carriers. FAA stated that the proposed rule is necessary because portions of the existing repair station regulations do not reflect current repair station aircraft maintenance and business practices, or advances in aircraft technology, and that the proposed rule would modernize FAA regulations to keep pace with current industry standards and practices.

Following publication of the proposed rule, Advocacy hosted a small business roundtable on November 5, 2012 to discuss the proposed rule and obtain small business input on it. Staff from FAA and FAA's Repair Station Branch attended the roundtable and provided a background briefing on the proposed rule. In addition, representatives from the Aeronautical Repair Station Association and the Aviation Electronics Association provided their assessment of the proposed rule. Advocacy's comments are reflective of the issues raised during the roundtable meeting and in subsequent communications with small business representatives.

- Small entity representatives stated that they support certain elements of the proposed rule, such as those that truly "modernize" and "harmonize" the existing rule with international regulatory and business practices. However, they expressed concern with other provisions of the proposed rule that, they say, would have unintended consequences and be problematic to enforce.
- Small entity representatives stated that the proposed operations specifications provisions are unnecessary and overly complicated, that the transition from "class ratings" to "capability lists" on operations specifications would be unmanageable, and that the new certification procedures would be problematic and burdensome.
- While FAA certified under the Regulatory Flexibility Act (RFA) that the proposed rule would not have a significant economic impact on a substantial number of small entities, small entities representatives expressed concern that FAA had omitted or understated costs. For this reason, Advocacy recommended that FAA reassess its RFA certification and consider publishing a Supplemental RFA analysis, including a consideration of significant alternatives that would meet the agency's objectives in a less burdensome manner for small entities.

A complete copy of Advocacy's letter to FAA is available at: <http://www.sba.gov/advocacy/816>. For more information please contact Bruce Lundegren, Assistant Chief Counsel, at (202) 205-6144 or bruce.lundegren@sba.gov.