



The View from Washington

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USER FEES: What They Mean to You and Your Business

As I sit here writing this month's column, the debate in Washington is raging over aviation user fees. I'm sure our European members are asking what all the hoopla is about — they've been living under a similar system since the inception of the European Aviation Safety Agency.

But for United States-based companies, this is a major topic of debate. Arguably, the FAA's proposed system would have less oversight, less public involvement and more fees than EASA's system.

The FAA Administrator argues the Next Generation Air Traffic Control system needs a new funding mechanism. The airlines argue they shouldn't fund general aviation's use of the air traffic system. General aviation argues paying for a "per-FAA-contact" fee would be completely unmanageable and the current fuel tax is sufficient. And the rhetoric continues.

To set the record straight, there are a couple of points I'll make before I get into the impact of the FAA's proposal on fees for maintenance and engineering activities.

First, Congress funds the FAA through the General Fund. Airline ticket taxes, fuel taxes, departure taxes and many other aviation taxes all partially reimburse the General Fund but by no means completely fund the FAA.

Secondly, the airlines don't pay the "airline ticket tax" — their passengers do. It is a line item on your airline ticket, computed like a sales tax at 7.5 percent of the price of the ticket. I know what I pay every time I buy a ticket; it's set by law. Under the new proposal, the airlines would pay a variable rate for their ATC usage, which would flow through to me, the passenger. But I'll have no idea how much it is or how much it should be.

The FAA's proposal also would create a "high tax" zone around major metropolitan areas because of the controlled airspace. In my own back yard, my aircraft is based outside of the Baltimore Class B airspace but it's inside the Washington ADIZ; so, it would generate a fee. Transiting to Easton, Md., for breakfast brings me through the Baltimore Class B, which would generate more fees. The return ADIZ flight plan and clearance would generate another fee, and again getting flight following through the Class B would

generate even more fees. Also, my home airport is towered, which would generate yet another fee. These fees are in addition to the proposed triple increase in fuel tax, and because I fly a light GA aircraft, I pay my "fair share" through the fuel tax.

The rhetoric we have heard at every major aviation event or read about through the aviation media for the past two years is focused on operations. But what does this system mean to the maintainers, installers and everyone else in aviation?

Before getting into the meat of the FAA's "NextGen Financing Reform Act of 2007," let me point out that those of us in maintenance have been paying "fees" for traditional FAA services for a couple of years now, when the FAA made the bold move to stop providing traditional government services, such as field approvals, STC review and management, and approvals of flight manual supplements, to name a few.

More than 50 years of tradition had existed with these services, and yet they are discontinued as a public service and "outsourced" to designees without congressional approval. This Administrator has shown a pension for discontinuing "public services" without the slightest thought as to the impact on general aviation.

Now, let's take a look at the FAA's proposal for user fees:

§ 45306, "Registration, Certification and Related Fee."

(a) *IMPOSITION OF REGISTRATION FEES. On the date of transition, the Administrator shall establish the following fees for the following services or activities:*

- (1) \$130 for registering an aircraft.
- (2) \$45 for replacing an aircraft registration.
- (3) \$130 for issuing an original dealer's aircraft certificate.
- (4) \$105 for issuing an additional aircraft certificate.
- (5) \$80 for issuing a special registration number.
- (6) \$50 for issuing a renewal of a special registration number.
- (7) \$130 for recording a security interest.

- (8) \$130 for recording a security interest in aircraft parts.
- (9) \$50 for issuing an airman certificate.
- (10) \$25 for issuing a replacement airman certificate.
- (11) \$42 for issuing an airman medical certificate.
- (12) \$100 for providing legal title opinions pertaining to aircraft transactions.

As a maintainer, filing a security interest, getting a repairman's certificate or getting an A&P certificate will cost a "registration fee." Changes to these documents will generate additional fees. IA renewals will generate fees. As the FAA moves toward renewals of A&P certificates, this will generate additional fees as well.

§ 45306, "Registration, Certification and Related Fees."

(b) ESTABLISHMENT OF CERTIFICATION FEES.

(1) The Administrator shall establish fees for the following services or activities:

(A) The appointment of a designee (other than designated medical examiners).

(B) The appointment of delegated organizations.

(C) The training of a designee.

(D) The issuance of a certificate to a flight school under Part 141 of title 14 of the Code of Federal Regulations.

(E) The issuance of a certificate to a training center under Part 142 of title 14 of the Code of Federal Regulations.

(F) The issuance of a certificate to a large domestic repair station under part 145 of title 14 of the Code of Federal Regulations.

(G) The issuance of a certificate to a medium domestic repair station under part 145 of title 14 of the Code of Federal Regulations.

(H) The issuance of a certificate to a small domestic repair station under part 145 of title 14 of the Code of Federal Regulations.

(I) The issuance of a certificate to a large foreign repair station under part 145 of title 14 of the Code of Federal Regulations.

(J) The issuance of a certificate to a medium foreign repair station under part 145 of title 14 of the Code of Federal Regulations.

(K) The issuance of a certificate to a small foreign repair station under part 145 of title 14 of the Code of Federal Regulations.

(L) The issuance of a certificate to a maintenance technical school under part 147 of title 14 of the Code of Federal Regulations.

(M) Training provided to foreign aviation authorities.

(2) RELATION TO COSTS. The fees that the Administrator establishes and assesses under this section, shall be based on the costs to the Administration of providing such activities and services using the available data derived from the agency's cost accounting system and cost allocation system to users. For purposes of this section, the term "costs" shall mean those costs associated with capital, operation and maintenance, and overhead, including the projected costs for the period during which the services are provided.

Section B establishes the ability to charge fees (I prefer the word "taxes") to designees, schools and repair stations. Then, in B(2), the FAA can be as inefficient as it chooses and simply adjust the fees (taxes) to cover its inefficient costs.

Who will pay every time the FAA mandates a new requirement that also requires changing a certificate or ops specs, or reviewing and accepting a repair station manual?

Who will pay if this latest notice of proposed rulemaking goes through? Every repair station would have to change their certificates, their ops specs and all three manuals. How much will the FAA tax you for that?

They mandate the change, then charge you to comply.

But wait, there's more to this blank check the Administrator wants the American public to sign: a catch-all provision to cover anything else for which it feels it needs to collect a fee.

§ 45306, "Registration, Certification and Related Fees."

(c) FEES FOR OTHER SERVICES – The Administrator may establish and collect such additional fees as may be necessary to cover the cost of aviation certification, regulation, and related services not enumerated in subsection (b), including any additional cost of providing services outside the United States.

Everyone I talk with believes this section is what will authorize user fees for field approvals, STCs and flight manual supplement approvals, along with the issuance of PMA and TSOA.

The entire proposal is a frightening read, but let me close with a couple more quotes directly from the FAA's proposal.

§ 45306, "Registration, Certification and Related Fees."

(f) ADMINISTRATIVE PROVISIONS.

(2) COLLECTION PROCEDURES. The Administrator shall establish procedures for the collection of fees. These procedures shall establish the frequency of payment, dead-

Continued on following page

VIEW FROM WASHINGTON

Continued from page 25

lines for payment, and maximum amount of fees that may be outstanding on the account of any person, and such other limitations and conditions as the Administrator determines are necessary to obtain prompt payment of fees.

(3) **FAILURE TO PAY REQUIRED FEES.** If the Administrator determines that any person has failed to pay fees when due under this section or comply with any limitation or condition of payment under this section, the Administrator may—

- (A) assess interest charges
- (B) change the required payment schedule
- (C) terminate, reduce or withhold non-emergency services
- (D) impose a civil penalty

Now, I haven't read the tax code, but this sure looks a lot like the Gestapo-type procedures that got the Internal Revenue Service in trouble with Congress a few years ago, which resulted in IRS reform. What will the FAA do without oversight, accountability or the requirements of due process?

Whether you are for or against the rhetoric on ATC funding, it still shouldn't affect your view on giving the FAA unbridled power to financially ruin your company.

Pay attention, this fight's for real.

To read more, visit the FAA website at www.faa.gov/regulations_policies/reauthorization.

**AEA Members:
For continual regulatory updates,
visit www.aea.net/R1.**

Regulatory Update

United States

Tests and Inspections for Altimeter Systems, Altitude Reporting Equipment

On Feb. 20, 2007, the Federal Aviation Administration made technical corrections to 14 CFR Parts 65 and 91.

The FAA amended Section 65.101 by revising paragraph (a)(6) to read as follows:

Sec. 65.101, "Eligibility Requirements – General."

(a)(6) Be able to read, write, speak and understand the English language or, in the case of an applicant who does not meet this requirement and who is employed outside the United States by a certificated repair station, a certificated U.S. commercial operator or a certificated U.S. air carrier, described in paragraph (a)(3) of this section, have this certificate endorsed "Valid only outside the United States."

The FAA amended Section 91.411 by revising paragraphs (a)(1) and (a)(2) to read as follows:

Sec. 91.411, "Altimeter System and Altitude Reporting Equipment Tests and Inspections."

(a)(1) Within the preceding 24 calendar months, each static pressure system, each altimeter instrument, and each automatic pressure altitude reporting system has been tested and inspected and found to comply with appendices E and F of Part 43 of this chapter.

(2) Except for the use of system drain and alternate static pressure valves, following any opening and closing of the static pressure system, that system has been tested and inspected and found to comply with paragraph (a), appendix E, of Part 43 of this chapter.

To review the draft Reauthorization Act go to the FAA's website at:

http://www.faa.gov/regulations_policies/reauthorization

Once you have reviewed the draft legislation, every AEA member is encouraged to contact your elected officials and voice your views of this proposal.

How to Contact Congress:

3 Simple Steps:

- 1) Go to: www.house.gov — and — www.senate.gov.
- 2) Type in your ZIP code in the "Find Your Representative" box at the top of the page.
- 3) Send a letter via fax or e-mail. You can use the sample letter created on AEA's website under AEA TODAY on the homepage, but personalize it as much as possible.

Policy Statement Issued on Design Assurance Guidance for Airborne Electronic Hardware

On Feb. 21, 2007, the FAA's Small Airplane Directorate issued policy PS-ACE100-2005-50001 on applying advisory circular AC 20-152, "RTCA Inc., Document RTCA/DO-254, Design Assurance Guidance for Airborne Electronic Hardware," to Title 14, Code of Federal Regulations, Part 23 Aircraft.

This policy statement sets up FAA certification policy on applying AC 20-152 to complex airborne electronic hardware installed in Part 23 aircraft or in airships.

Canada

TCCA

Transport Canada Issues Revised Procedures for Certification of Night Vision Imaging Systems

Transport Canada issued staff instruction SI 513-011 as a revision to the existing ACPL 29 to provide information regarding the specific differences and/or additional TCCA expectations with respect to the applicable FAA ACs.

The scope of the document, which now applies to all aircraft, also is changed to provide guidance on test programs and procedures. In addition to the procedures described in FAA AC 27-1B and 29-2C MG-16 for the certification of night vision imaging systems (NVIS), applicants must provide the following data to aid in determining the extent of ground and flight tests, which will be required:

- System safety analysis for complex systems or failure mode effects analysis for simple systems.
- Draft AFM supplement using the guidance in AC 513-004.
- Details of the cockpit configuration, including various displays and avionics.

- Details of both internal and external aircraft lighting.

- Details of the external configuration of the aircraft, including FLIR and mirrors.

- Additional data, such as drawings or schematics, required to completely describe the configuration.

- Technical specifications, equipment model number and performance metrics of the night vision goggles (NVG) to be certificated in conjunction with the aircraft modification, and whether the NVG meets FAA TSO C164.

SI 513-011 can be viewed at www.tc.gc.ca/CivilAviation/certification/guidance/513/513-011.htm.

Transport Canada Issues AC on In-Flight Entertainment Systems

As a result of an issue raised by the AEA during the 2003/2004 TCCA Avionics Workshops, TCCA has issued AC 500-022 to provide guidance concerning applications for a limited supplementary type certificate (LSTC) or a supplementary type certificate (STC) for in-flight entertainment (IFE) systems, such that the assessment of the design and installation ensures the modified aircraft continues to meet its certification basis.

Design features of the installation must address:

- IFE electrical bus connections.
- A labeled and readily accessible means to disconnect the IFE system from the power source.
- Accessible means to remove power from the IFE system.
- IFE system wiring.
- AFM supplement procedures.
- Seat-mounted IFE system requirements.

AC 500-022 can be viewed at www.tc.gc.ca/CivilAviation/certification/guidance/500/500-022.htm.

Europe

EASA

Letter Issued Regarding Agency's Position on Mode S Mandate

The European Aviation Safety Agency issued a letter explaining EASA's position regarding the modification and certification of aircraft required to meet the European airspace mandate for Mode S elementary surveillance (ELS) and Mode S enhanced surveillance (EHS).

This letter provides information to all European aircraft operators, EASA Part 21 design organizations, EASA Part 145 maintenance organizations, aircraft manufacturers and transponder manufacturers, and is prompted following comments and certification questions raised by industry at various international forums.

The related EASA AMC 20-13, which deals with the certification issues of Mode S EHS installations, was issued in December 2006.

2007 EU/U.S. International Aviation Safety Conference

EASA and the FAA again are co-chairing the EU/U.S. International Aviation Safety Conference, which is from June 5-7, 2007, in Prague, Czech Republic.

Three series of workshops and various information sessions have been designed as the platform for constructive dialogue. Lively discussions are expected; in particular, during the so-called "Hot Topics Session," in which senior EASA and FAA management staff will cover a range of aviation safety topics in a round-table format.

Presentations and meetings will cover bilateral relations with main partners; an update on JAA; new regulatory challenges; technological changes; global collaboration; safety critical standards; replacing testing with simulation in aircraft certification; common

Continued on following page

Frequently Asked Questions

The following information is from the Federal Aviation Regulations.

TOPIC: FAA Form 337

QUESTION:

What information must be included in Block 8 of an FAA Form 337?

ANSWER:

AC 43.9-1F was published Jan. 25, 2007. Subparagraph "h" identifies the data that must be contained in "Item 8" on FAA Form 337.

Subparagraph "h" states:

h. Item 8 – "Description of Work Accomplished."

(1) Enter a clear, concise, and legible statement describing the work accomplished in item 8 on the reverse side of Form 337. It is important to describe the location of the repair or alteration relative to the aircraft or component. If making a repair to a buckled spar, the description entered in item 8 might begin by stating, "Removed wing from aircraft and removed skin from outer 6 feet. Repaired buckled spar 49 inches from the tip in accordance with..." and continue with a description of the repair. If the repair or alteration can be concealed by skin or another structure then an authorized individual should make a pre-closure certification statement. This statement includes a signature and certificate number and says that a pre-closure inspection was made and that covered areas were found satisfactory.

(2) The description should refer to all applicable 14 CFR sections and to the FAA-approved data used to substantiate the airworthiness of the repair or alteration. Forms of FAA-approved data are contained in Order 8300.10 and AC 43-210, Standardized Procedures for Requesting Field Approval of Data, Major Alterations, and Repairs.

Note: Supplemental data, such as stress analyses, test reports, sketches or photographs, often are proprietary and not intended as part of the "Item 8" description. Supplemental data submitted as part of the "Item 8" description should be identified as an attachment to the form using the following procedure:

(3) If additional space is needed to describe the repair or alteration for "Item 8," check the "Additional Sheets Are Attached" box at the bottom of the page. Attach sheets showing the aircraft nationality, registration mark, and the date the work was completed. All attachments to "Item 8" must be submitted on 8½ x 11-inch paper to allow for proper processing into the aircraft historical record at the aircraft registry. If attachments to Form 337 are received by the FAA in a format larger than an 8½ x 11-inch page, then the submission will be returned to the person identified in "Item 7" for correction and resubmission.

(4) Showing weight and balance computations under "Item 8" is not required but it may be done. If weight and balance of the aircraft are affected by the work described on Form 337, the changes should be entered in the aircraft weight and balance records with the date, signature, and reference to the form.

Note: The AEA offers "Frequently Asked Questions" to foster greater understanding of the Federal Aviation Administration regulations and the rules governing our industry. The AEA strives to ensure FAQs are as accurate as possible at the time of publication; however, rules change. Therefore, information received from an AEA FAQ should be verified before being relied upon. This information is not meant to serve as legal advice. If you have particular legal questions, they should be directed to an attorney. The AEA Disclaims Any Warranty for the Accuracy of the Information Provided.

REGULATORY UPDATE

Continued from page 27

air carrier operation specifications; and a number of other topics.

Ric Peri, vice president of government & industry affairs for AEA, will be attending the 2007 International Aviation Safety Conference.

EASA Looks at Proposing a Revised Fees and Charges Regulation

It has been reported that because of financial constraints and to allow for real-cost distribution, EASA is close to proposing a revised fees and charges regulation, 488/2005. A number of significant increases are apparent.

Increases will affect STC and TC issues, major repairs and changes, and the renewal or surveillance of design organizations. Surveillance and approval fees for a task for which the National Airworthiness Authority is responsible would not be affected by this proposed change.

In February, EASA issued a revised internal working procedure maintenance organization approval. It describes the application and approval process as well as how to apply limitations and perform surveillance on maintenance organizations.

Addressing Certification of Wiring Systems on Transport Aircraft

EASA issued NPA 2007-01, which is based on a draft produced by the EASA rulemaking group known as the European Ageing Systems Coordination Group (EASCG), according to EASA terms of reference MDM.002.

The NPA contains the recommendations of the Ageing Transport Systems Rulemaking Advisory Committee (ATSRAC), Wire Systems Harmonisation Working Group (WSHWG), Aviation Rulemaking Advisory Committee (ARAC) and the Electrical Systems Harmonisation Working Group (ESHWG). The

WSHWG was formed by ATSRAC to address the certification aspects of wiring systems on large transport category aeroplanes.

This proposal addresses all the wiring contained in an aeroplane, as systems on their own, and provides scrutiny to the conditions affecting their safe functioning. It introduces requirements and associated guidance material as they relate to electrical wiring interconnection systems (EWIS). It is harmonized with the FAA.

Amendments to CS-25 are envisaged to enhance the design requirements related to wiring, as well as improved provisions to ensure the continuing airworthiness of EWIS. To complement the proposal, amendments to Part M and Part 66 are envisaged to emphasize EWIS in the maintenance program and the importance of EWIS training for maintenance personnel.

Finally, three general AMCs (20-21, 20-22 and 20-23) are envisaged to provide guidance for conducting EZAP, for EWIS maintenance training, and to promote an electrical standard wiring practices manual.

Comments should be received by EASA prior to June 13, 2007.

Addressing Conditions for Approval of Permit to Fly

The comment response document to NPA 2006-09 and the related draft opinion to commission regulation 1702/2003 were issued, and are of special interest to applicants of TCs and STCs.

A new Subpart P will be introduced in Part 21, which deals with the eligibility, application and approval of a permit to fly. It addresses the conditions under which a permit to fly can be issued.

The contents became effective March 28, 2007.

The comment response document to NPA 2006-17 and the related draft opinion allow for the continued opera-

tion of aircraft registered in the new EU member states, mostly of Russian types, which previously were not approved.

Eurocontrol Last Chance for Exemption from Mode S Enhanced Surveillance

While Eurocontrol already is planning the expansion of the 8.33 kHz airspace to below FL195, the implementation of 8.33 kHz above FL195 occurred March 15, 2007. Apparently, no major problems were experienced. Currently, the further extension to below FL195 is envisioned to be fully implemented by 2013.

The last chance for exemption from the Mode S enhanced surveillance requirement ended in March, and there was no official statement about exemptions beyond March 31; however, there is speculation a further exemption under certain conditions may be possible until the end of September 2007.

Australia

CASA Issues Automatic Dependent Surveillance Broadcast AC

The Civil Aviation Safety Authority issued a draft advisory circular, AC 21-45(0), as a new advisory circular to explain how to obtain airworthiness approval for automatic dependent surveillance broadcast (ADS-B) equipment to be fitted in aircraft.

Early drafts of the advisory circular were published for public comment in March 2006 and December 2006.

The draft AC, which has been updated again and republished, can be viewed at http://rrp.casa.gov.au/archive/timelines/07_021.asp, which also is the link to use to respond to the draft AC.

This is expected to be the final version provided for consultation until the notice of final rule making for NPRM 0601AS is published.

For reference purposes, NPRM

0601AS can be viewed at <http://rrp.casa.gov.au/nprm/nprm0601as.asp>. □

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