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FAA Foreign Repair Station Certification Ban Hurting U.S. Aerospace Industry

ALEXANDRIA, VA – The Federal Aviation Administration's (FAA) inability to certificate new foreign repair stations is preventing U.S. companies from accessing international markets and stifling job creation in the United States, a new Aeronautical Repair Station Association (ARSA) analysis has found.

In 2003, Congress directed the Transportation Security Administration (TSA) to issue new repair station security rules. The TSA failed to meet the August 2004 deadline. In 2007, Congress again mandated the TSA to issue the rules, this time including language prohibiting the FAA from certificating new foreign repair stations if the rules were not in place by August 3, 2008. The agency again missed the deadline and the ban took effect. As of November 1, 2011, the rules are still not finalized and FAA still is not issuing new certifications.

In October 2011, ARSA conducted an informal survey to determine what impact the ban is having on the maintenance industry. ARSA found that:

> **The ban is hurting small to medium-sized businesses.** Half (50 percent) of respondent companies employ fewer than 500 workers. Of these, an overwhelming majority (83 percent) are seeking to open new foreign repair stations.
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> **The ban is preventing U.S. companies from expanding internationally.** Three quarters of respondents (75 percent) said their company has an application for FAA foreign repair station certification pending or will submit an application when the moratorium is removed.
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> **The ban is costing U.S. companies millions of dollars in lost revenue.** U.S.-based companies responding to the survey report they are losing more than $18 million in combined revenues annually because of they cannot get new facilities certificated.
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> **The ban is stifling job growth.** More than half of respondents (55 percent) said their companies would hire new U.S.-based employees if they could obtain FAA foreign repair station certification. Two companies anticipated hiring more than 100 new U.S.-based employees to support the foreign certificates.

"The survey results are a snapshot of what's happening in the real world outside the Beltway: The ban is costing the U.S. economy jobs and making it harder for American companies to compete internationally," ARSA Executive Director Sarah MacLeod said. "By imposing this ban, Congress has taken the unprecedented step of punishing industry and preventing the FAA from doing its job because TSA has ignored Congressional mandates. That's bad policy and a terrible precedent."

Notable anonymous comments from the survey include:

- "[The ban is creating an] inability to serve U.S. airlines in foreign markets."
- "Some overseas customers will not use U.S. repair stations because of the ban."

Thirty-six companies responded to the online survey, which ARSA conducted between Sept. 28 and Oct. 26. The survey results are available at: http://www.arsa.org/liftthebanresults.

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ARSA is an Alexandria, Virginia-based trade association that represents aviation maintenance and manufacturing companies. Founded in 1984, the association has a distinguished record of advocating for repair stations, providing regulatory compliance assistance to the industry, and representing repair stations on Capitol Hill and in the media.