

Supporting Statement

Recording of Aircraft Conveyances and Security Documents
OMB Number 2120-0043

A. Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating and authorizing the collection of information.

Title 49, U. S. C. Section 44108 provides for establishing and maintaining a system for the recording of security conveyances affecting title to, or interest in U.S. civil aircraft, as well as certain specifically identified engines, propellers, or spare parts locations, and for recording of releases relating to those conveyances. Federal Aviation Regulations Part 49 (14 CFR 49) establishes procedures for implementation of 49 U. S. C. 44108. Part 49 describes what information must be contained in a security conveyance in order for it to be recorded with FAA. The convention on the International Recognition signatory, prevents, by treaty, the export of an aircraft and cancellation of its nationality marks if there is an outstanding lien recorded. The Civil Aviation Registry must have consent or release of lien from the lienholder prior to confirmation/cancellation for export.

This information collection directly supports the Department of Transportation's strategic goals concerning safety and security. Recording of security conveyances is necessary to ensure proper compliance with provisions of Section 44108 of Title 49 USC. Proper recording of liens against aircraft is necessary to advance the nations vital security interest in support of national strategies by ensuring the national transportation system is secure.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

The original security conveyance is examined by the Civil Aviation Registry to insure that it meets recording requirements as set forth in FAR Part 49. If it does, it is given a recording number and made a permanent part of the aircraft record. If the information were not collected, the Civil Aviation Registry could not carry out the mandates of 49 U. S. C. 44108 and 4. U. S. C. 1830 (see item 1 above), and financing institutions would not have proper lien protection.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical or other technological collection techniques or other forms of information technology, e.g. permitting electronic submission of responses and the basis for the decision for adopting this means of collection.

In accordance with the Government Paperwork Elimination Act (GPEA), the Civil Aviation Registry continues to modernize its recordkeeping process. However, this does not affect the information gathering. The holder of the security interest must still submit an original security conveyance, signed in ink, in order to record such security interest with the Civil Aviation Registry. Only information necessary for valid legal recording of a lien is required by the agency. Also, an electronic version of AC Form 8050-98, Aircraft Security Agreement, is available from the Registry's website (<http://registr.faa.gov>).

Zero percent of the collection is available and submitable electronically.

4. Describe efforts to identify duplication. Show specifically why any similar information already available can be used for the purpose described in Item 2 above.

No duplication of either information or information-gathering is present.

5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.

The burden is the same for all lienholders and is the minimum necessary to establish legal claim to a security interest in an aircraft, engine, propeller, or spare parts location.

6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

This does not apply to security conveyances since they are submitted only once, when a security interest is given.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner inconsistent with 1320.5(d)(2)(i)-(viii).

There are no special circumstances.

8. Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any) and on data elements to be recorded, disclosed, or reported.

A notice was published in the Federal Register on March 15, 2006 (Volume 71, Number 50), pages 13445-13446, to allow for a 60-day comment period. No comments were received. A copy is attached for your convenience.

Instructions and certain forms, including a generic security agreement, are accessible at our Registry website. The website allows customers to respond.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

There are no payments or gifts to respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

No confidentiality is promised the respondents since these are public records.

11. Provide additional justification for any questions of a sensitive nature.

There are no questions of a sensitive nature.

12. Provide estimates of hour burden of the collection information. This information should: Provide number of respondents, frequency of response, annual burden, and an explanation of how the burden was estimated.

Respondents: 1 hour x 45,469 respondents = 45,469 hours annually
x \$25 per hour average salary for parties involved in processing
of lien by loan officer and borrower = \$1,136,725 annually.

The 1 hour estimate for respondent burden does not relate to the actual completion of the AC Form 8050-41, Conveyance Recordation Notice and Release. FAA personnel at the Civil Aviation Registry complete the form. However, in order for the Civil Aviation Registry to meet requirements as set forth in FAR Part 49 (recording requirements) and 49 U. S. C. 44108 and 4 U. S. C. 1830 (establishing and maintaining a title to, or interest in, U.S. civil aircraft), the following action must be completed: Conduct a title search, research for releases, chain of title, and research for change of ownership, as well as the borrower must obtain the loan and fill out a loan application with a loan officer. The total time involved is considered the burden placed on the public and was rounded to 1 hour.

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| a. Time used by loan officer to assist borrower with loan application: | 20 minutes |
| b. Time used by borrower during interview: | 20 minutes |
| c. Time involved in title search, research for releases, chain of title, and changes of ownership: | <u>14 minutes</u> |
| Total burden: | 54 minutes |

13. Provide estimates of the total annual cost burden to respondents or recordkeepers resulting from the collection of information.

There are not additional startup costs associated with this collection.

14. Provide estimates of annualized cost to the Federal government.

Based on the individual cost to FAA to process each document, as shown in the FY-2005 User Charges Report (Ris: BU 2510-7), the total annualized cost for processing 49,737 security conveyances, including direct and indirect costs, is \$1,231,985. The United States Treasury recovered \$248,685 in fees in FY-2005 (\$5.00 recording fee per piece of collateral).

In FY-2005, 89,155 security conveyances were received in the Civil Aviation Registry. This is a computer count of security conveyances indexed [listed by Cashier's Office in accordance with 49 U.S.C. 44107 (d)]. Of that total, 45,469 were submitted with fees, and were security conveyances. This is the burden reported in item 13 of OMB 83-I. The balance (43,686) were releases, the recording of which is provided for in 49 U.S.C. 44107 (a)(3), and for which there is no charge for recording. When the conditions of a security conveyance have been met, a release is submitted by the lienholder and AC Form 8050-41, Conveyance Recordation Notice and Release, sent to the lienholder by the Civil Aviation Registry with recording information entered in Part I of the form. The security holder certifies by signing Part II that the lien has been satisfied. No respondent burden is estimated for this release notification because it is merely a certification of debt release.

15. Explain reasons for program changes or adjustments reported in Items 13 or 14 of OMB Form 83-I.

The burden is dependent on the number of security conveyances executed involving aircraft owners, and the number of such conveyances submitted for recording. Figures in this report are based on volume submitted in the previous fiscal years. The burden decreased because there were less security conveyances executed.

16. For collections of information whose results will be published, outline plans for tabulation, and publication. Address any complex analytical techniques that will be used.

There are no publications planned.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

We are not seeking an exemption.

18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.

There are no exceptions.

Attachments List:

1. Supporting Statement
2. 30 Day Notice
3. 60 Day Notice
4. 49 USC 44107-44108
5. Form AC 8050-41