

**Department of Transportation
Federal Aviation Administration**

**SUPPORTING STATEMENT
Air Carrier Contract Maintenance Requirements
OMB-2120-XXXX**

INTRODUCTION

This information collection is submitted to the Office of Management and Budget (OMB) to request a three-year approval clearance for the new information collection entitled, Air Carrier Contract Maintenance Requirements.

Part A. Justification

1. Circumstances that make collection of information necessary.

Air carrier maintenance has evolved from mostly an “in-house” operation to an extended network of maintenance providers that fulfill contracts with air carriers to perform their aircraft maintenance. Any person performing maintenance for an air carrier must follow the air carrier’s maintenance manual. However, air carrier general maintenance manuals often are geared toward in-house maintenance. They fail to provide the necessary instructions to maintenance providers to enable them to follow the air carriers’ maintenance programs. The amended rules will require affected air carriers to develop policies, procedures, methods and instructions for performing contract maintenance that are acceptable to the FAA and to include them in their maintenance manuals, and also to update the required maintenance providers list in the air carrier’s manual. These rules will help ensure consistency between contract and in-house air carrier maintenance and enhance the oversight capabilities of both the air carriers and the FAA. The FAA expects these changes to contribute to a reduction in aviation accidents.

The FAA’s authority to issue rules on aviation safety is found in Title 49 of the United States Code. Subtitle I, Section 106 describes the authority of the FAA Administrator. Subtitle VII, Aviation Programs, describes in more detail the scope of the agency’s authority.

This rulemaking is promulgated under the authority described in Subtitle VII, Part A, Subpart III, Section 447, Section 44701(a)(2)(A) and (B) and (5). Under that section, the FAA is charged with prescribing regulations and minimum standards in the interest of safety for inspecting, servicing, and overhauling aircraft, aircraft engines, propellers, and appliances, and equipment and facilities for, and the timing of and manner of, the inspecting, servicing and overhauling the FAA finds necessary for safety and commerce.

In addition, Public Law 112-95 (February 14, 2012), the “FAA Modernization and Reform Act of 2012” (the Act), in section 319 (Maintenance providers), requires the FAA to issue regulations “requiring that covered work on an aircraft used to provide air transportation under part 121 . . . be performed by persons in accordance with subsection (b).” Subsection (b), in addition to listing persons authorized under existing regulations, referenced additional terms and conditions

in subsection (c) that would apply to persons who provide contract maintenance workers, services, or maintenance functions to a part 121 air carrier for covered work. The Act mandates that the contracting part 121 air carrier be directly in charge of covered work, as defined by the Act, being performed for the carrier under contract, and that the work be done under the supervision and control of the air carrier.

This collection of information supports the FAA's strategic goal to provide to the next level of safety, by achieving the lowest possible accident rate and always improving safety, so all users of our aviation system can arrive safely at their destinations.

2. How, by whom, and for what purpose is the information used.

The request for clearance reflects requirements necessary under 14 CFR part 121 and part 135 to ensure safety of flight by making certain that air carriers update their required contract maintenance list in their manuals. The FAA will review the respondents' maintenance manuals to ensure compliance and adherence to regulations. The information will be used by the air carriers, and by the FAA to adequately target its inspection resources for surveillance and make accurate risk assessments. This is a new collection of information.

3. Extent of automated information collection.

In accordance with the Government Paperwork Elimination Act (GPEA), the FAA encourages the use of automation and electronic media for the gathering, storage, presentation, review, and transmission of all requests, records, reports, tests, or statements required by this final rule with the provision that such automation or electronic media has adequate provision for security (i.e., that such submissions may not be altered after review and acceptance by the FAA) and that the systems or applications are compatible with the systems or applications used by the FAA. It is estimated that 90% of air carriers use electronic manuals and 10% use paper manuals.

4. Efforts to identify duplication.

There is no duplicate requirement that would provide the FAA this information. This requirement for collection of information is a new requirement for air carriers, to update and maintain their contract maintenance list in their manuals. The information sought is particular to the air carrier and not available from any other source.

5. Efforts to minimize the burden on small businesses.

The FAA believes that the collection of information associated with this rule is already minimal to small business or small entities. Therefore, no additional methods to minimize burden is needed.

6. Impact of less frequent collection of information.

The FAA sees the collection of this information as a means to verify compliance with 14 CFR part 121 and part 135. If the collection is not conducted, the FAA anticipates an increase in deficiencies in maintenance performed by contract maintenance providers. Accidents and incidents will continue and consistency between contract and in-house air carrier maintenance will diminish.

7. Special circumstances.

There are no special circumstances that would cause this collection of information to be conducted in a manner inconsistent with 1320.5(d)(2)(i)-(vii).

8. Provide a citation of the FEDERAL REGISTER document soliciting comments on the conduct of the collection of information, a summary of all public comments responding to the notice, and a description of the agency's actions in response to the comments. Describe efforts to consult with persons outside the agency to obtain their views.

On November 13, 2012, the FAA published a Notice of Proposed Rulemaking (NPRM), entitled "Air Carrier Contract Maintenance Requirements," 77 FR 67584. The public was encouraged to comment. There were no public comments on the paperwork burden needed to comply with the provisions of this final rule.

9. Payments or gifts to respondents.

There are no monetary considerations for this collection of information.

10. Assurance of confidentiality:

The respondents have not been given assurance of confidentiality.

11. Justification for collection of sensitive information:

There are no questions of a sensitive nature.

12. Estimate of burden hours for information requested:

This rule will require affected air carriers to develop policies, procedures, methods, and instructions for performing contract maintenance that are acceptable to the FAA and to include them in their maintenance manuals. The rule also requires the air carriers to provide a list to the FAA of all persons with whom they contract their maintenance.

To calculate the cost of revising and updating the manual and revising and updating the list, the following assumptions were used, paralleling those in the regulatory evaluation:

- 222 small air carriers.
- 26 large air carriers.

	Revising Manuals (Hours)			Maintaining Manuals (Hours)			Providing the List (Hours)			Maintaining/Updating the List (Hours)		
	Manager	Technical Writer	Editor	Manager	Technical Writer	Editor	Manager	Technical Writer	Auditor	Manager	Technical Writer	Auditor
Small Air Carriers	16	40	2	16	40	2	10	3	10	12	12	12
Large Air Carriers	60	30	30	104	156	156	40	20	20	104	156	156

As per DOT guidance, Office of the Secretary of Transportation Memorandum, “Revised Departmental Guidance on Valuation of Travel Time in Economic Analysis,” July 2014, we assume that there will be a 1.2 percent projected annual increase in real wages to make the following calculations.

First Year Costs for small air carriers

Cost = 222 x ((16 hours x \$66.08) + (40 hours x \$40.02) + (2 hours x \$35.76) + (10 hours x \$66.08) + (3 hours x \$40.02) + (10 hours x \$41.28)) = \$870,966.

Time = 222 x (16 hours + 40 hours + 2 hours + 10 hours + 3 hours + 10 hours) = 17,982.

Second Year Costs for small air carriers

Cost = 222 x ((16 hours x \$66.87) + (40 hours x \$40.50) + (2 hours x \$36.19) + (12 hours x \$66.87) + (12 hours x \$40.50) + (12 hours x \$41.77)) = \$1,010,576.

Time = 222 x (16 hours + 40 hours + 2 hours + 10 hours + 3 hours + 10 hours) = 17,982.

Third Year Costs for small air carriers

Cost = 222 x ((16 hours x \$67.68) + (40 hours x \$40.99) + (2 hours x \$36.62) + (12 hours x \$67.68) + (12 hours x \$40.99) + (12 hours x \$42.27)) = \$1,022,703.

Time = 222 x (16 hours + 40 hours + 2 hours + 10 hours + 3 hours + 10 hours) = 17,982.

Fourth Year Costs for small air carriers

Cost = 222 x ((16 hours x \$68.49) + (40 hours x \$41.48) + (2 hours x \$37.06) + (12 hours x \$68.49) + (12 hours x \$41.48) + (12 hours x \$42.78)) = \$1,034,976.

Time = 222 x (16 hours + 40 hours + 2 hours + 10 hours + 3 hours + 10 hours) = 17,982.

Fifth Year Costs for small air carriers

Cost = 222 x ((16 hours x \$69.31) + (40 hours x \$41.98) + (2 hours x \$37.51) + (12 hours x \$69.31) + (12 hours x \$41.98) + (12 hours x \$43.29)) = \$1,047,395.

Time = 222 x (16 hours + 40 hours + 2 hours + 10 hours + 3 hours + 10 hours) = 17,982.

Sixth Year Costs for small air carriers

Cost = 222 x ((16 hours x \$70.14) + (40 hours x \$42.48) + (2 hours x \$37.96) + (12 hours x

$\$70.14) + (12 \text{ hours} \times \$42.48) + (12 \text{ hours} \times \$43.81) = \$1,059,964.$
Time = $222 \times (16 \text{ hours} + 40 \text{ hours} + 2 \text{ hours} + 10 \text{ hours} + 3 \text{ hours} + 10 \text{ hours}) = 17,982.$

Seventh Year Costs for small air carriers

Cost = $222 \times ((16 \text{ hours} \times \$70.98) + (40 \text{ hours} \times \$42.99) + (2 \text{ hours} \times \$38.41) + (12 \text{ hours} \times \$70.98) + (12 \text{ hours} \times \$42.99) + (12 \text{ hours} \times \$44.34)) = \$1,072,684.$
Time = $222 \times (16 \text{ hours} + 40 \text{ hours} + 2 \text{ hours} + 10 \text{ hours} + 3 \text{ hours} + 10 \text{ hours}) = 17,982.$

Eight Year Costs for small air carriers

Cost = $222 \times ((16 \text{ hours} \times \$71.84) + (40 \text{ hours} \times \$43.51) + (2 \text{ hours} \times \$38.87) + (12 \text{ hours} \times \$71.84) + (12 \text{ hours} \times \$43.51) + (12 \text{ hours} \times \$44.87)) = \$1,085,556.$
Time = $222 \times (16 \text{ hours} + 40 \text{ hours} + 2 \text{ hours} + 10 \text{ hours} + 3 \text{ hours} + 10 \text{ hours}) = 17,982.$

Ninth Year Costs for small air carriers

Cost = $222 \times ((16 \text{ hours} \times \$72.70) + (40 \text{ hours} \times \$44.03) + (2 \text{ hours} \times \$39.34) + (12 \text{ hours} \times \$72.70) + (12 \text{ hours} \times \$44.03) + (12 \text{ hours} \times \$45.41)) = \$1,098,583.$
Time = $222 \times (16 \text{ hours} + 40 \text{ hours} + 2 \text{ hours} + 10 \text{ hours} + 3 \text{ hours} + 10 \text{ hours}) = 17,982.$

Tenth Year Costs for small air carriers

Cost = $222 \times ((16 \text{ hours} \times \$73.57) + (40 \text{ hours} \times \$44.56) + (2 \text{ hours} \times \$39.81) + (12 \text{ hours} \times \$73.57) + (12 \text{ hours} \times \$44.56) + (12 \text{ hours} \times \$45.95)) = \$1,111,766.$
Time = $222 \times (16 \text{ hours} + 40 \text{ hours} + 2 \text{ hours} + 10 \text{ hours} + 3 \text{ hours} + 10 \text{ hours}) = 17,982.$

First Year Costs for large air carriers

Cost = $26 \times ((60 \text{ hours} \times \$66.08) + (30 \text{ hours} \times \$40.02) + (30 \text{ hours} \times \$35.76) + (40 \text{ hours} \times \$66.08) + (20 \text{ hours} \times \$40.02) + (20 \text{ hours} \times \$41.28)) = \$273,193.$
Time = $26 \times (60 \text{ hours} + 30 \text{ hours} + 30 \text{ hours} + 40 \text{ hours} + 20 \text{ hours} + 20 \text{ hours}) = 5,200.$

Second Year Costs for large air carriers

Cost = $26 \times ((104 \text{ hours} \times \$66.87) + (156 \text{ hours} \times \$40.50) + (156 \text{ hours} \times \$36.19) + (104 \text{ hours} \times \$66.87) + (156 \text{ hours} \times \$40.50) + (156 \text{ hours} \times \$41.77)) = \$1,006,396.$
Time = $26 \times (104 \text{ hours} + 156 \text{ hours} + 156 \text{ hours} + 104 \text{ hours} + 156 \text{ hours} + 156 \text{ hours}) = 21,632.$

Third Year Costs for large air carriers

Cost = $26 \times ((104 \text{ hours} \times \$67.68) + (156 \text{ hours} \times \$40.99) + (156 \text{ hours} \times \$36.62) + (104 \text{ hours} \times \$67.68) + (156 \text{ hours} \times \$40.99) + (156 \text{ hours} \times \$42.27)) = \$1,018,473.$
Time = $26 \times (104 \text{ hours} + 156 \text{ hours} + 156 \text{ hours} + 104 \text{ hours} + 156 \text{ hours} + 156 \text{ hours}) = 21,632.$

Fourth Year Costs for large air carriers

Cost = $26 \times ((104 \text{ hours} \times \$68.49) + (156 \text{ hours} \times \$41.48) + (156 \text{ hours} \times \$37.06) + (104 \text{ hours} \times \$68.49) + (156 \text{ hours} \times \$41.48) + (156 \text{ hours} \times \$42.78)) = \$1,030,695.$
Time = $26 \times (104 \text{ hours} + 156 \text{ hours} + 156 \text{ hours} + 104 \text{ hours} + 156 \text{ hours} + 156 \text{ hours}) = 21,632.$

Fifth Year Costs for large air carriers

Cost = $26 \times ((104 \text{ hours} \times \$69.31) + (156 \text{ hours} \times \$41.98) + (156 \text{ hours} \times \$37.51) + (104 \text{ hours} \times$

$\$69.31) + (156 \text{ hours} \times \$41.98) + (156 \text{ hours} \times \$43.29) = \$1,043,063.$
 $\text{Time} = 26 \times (104 \text{ hours} + 156 \text{ hours} + 156 \text{ hours} + 104 \text{ hours} + 156 \text{ hours} + 156 \text{ hours}) = 21,632.$

Sixth Year Costs for large air carriers

$\text{Cost} = 26 \times ((104 \text{ hours} \times \$70.14) + (156 \text{ hours} \times \$42.48) + (156 \text{ hours} \times \$37.96) + (104 \text{ hours} \times \$70.14) + (156 \text{ hours} \times \$42.48) + (156 \text{ hours} \times \$43.81)) = \$1,055,580.$
 $\text{Time} = 26 \times (104 \text{ hours} + 156 \text{ hours} + 156 \text{ hours} + 104 \text{ hours} + 156 \text{ hours} + 156 \text{ hours}) = 21,632.$

Seventh Year Costs for large air carriers

$\text{Cost} = 26 \times ((104 \text{ hours} \times \$70.98) + (156 \text{ hours} \times \$42.99) + (156 \text{ hours} \times \$38.41) + (104 \text{ hours} \times \$70.98) + (156 \text{ hours} \times \$42.99) + (156 \text{ hours} \times \$44.34)) = \$1,068,247.$
 $\text{Time} = 26 \times (104 \text{ hours} + 156 \text{ hours} + 156 \text{ hours} + 104 \text{ hours} + 156 \text{ hours} + 156 \text{ hours}) = 21,632.$

Eight Year Costs for large air carriers

$\text{Cost} = 26 \times ((104 \text{ hours} \times \$71.84) + (156 \text{ hours} \times \$43.51) + (156 \text{ hours} \times \$38.87) + (104 \text{ hours} \times \$71.84) + (156 \text{ hours} \times \$43.51) + (156 \text{ hours} \times \$44.87)) = \$1,081,066.$
 $\text{Time} = 26 \times (104 \text{ hours} + 156 \text{ hours} + 156 \text{ hours} + 104 \text{ hours} + 156 \text{ hours} + 156 \text{ hours}) = 21,632.$

Ninth Year Costs for large air carriers

$\text{Cost} = 26 \times ((104 \text{ hours} \times \$72.70) + (156 \text{ hours} \times \$44.03) + (156 \text{ hours} \times \$39.34) + (104 \text{ hours} \times \$72.70) + (156 \text{ hours} \times \$44.03) + (156 \text{ hours} \times \$45.41)) = \$1,094,038.$
 $\text{Time} = 26 \times (104 \text{ hours} + 156 \text{ hours} + 156 \text{ hours} + 104 \text{ hours} + 156 \text{ hours} + 156 \text{ hours}) = 21,632.$

Tenth Year Costs for large air carriers

$\text{Cost} = 26 \times ((104 \text{ hours} \times \$73.57) + (156 \text{ hours} \times \$44.56) + (156 \text{ hours} \times \$39.81) + (104 \text{ hours} \times \$73.57) + (156 \text{ hours} \times \$44.56) + (156 \text{ hours} \times \$45.95)) = \$1,107,167.$
 $\text{Time} = 26 \times (104 \text{ hours} + 156 \text{ hours} + 156 \text{ hours} + 104 \text{ hours} + 156 \text{ hours} + 156 \text{ hours}) = 21,632.$

Summary

	Small Air Carriers		Large Air Carriers	
	Hours	Cost	Hours	Cost
Year 1	17,982	\$870,966	5,200	\$273,193
Year 2	17,982	\$1,010,576	21,632	\$1,006,396
Year 3	17,982	\$1,022,703	21,632	\$1,018,473
Year 4	17,982	\$1,034,976	21,632	\$1,030,695
Year 5	17,982	\$1,047,395	21,632	\$1,043,063
Year 6	17,982	\$1,059,964	21,632	\$1,055,580

			2	
Year 7	17,982	\$1,072,684	21,632	\$1,068,247
Year 8	17,982	\$1,085,556	21,632	\$1,081,066
Year 9	17,982	\$1,098,583	21,632	\$1,094,038
Year 10	17,982	\$1,111,766	21,632	\$1,107,167

Total over 10 years

Cost=(\$870,966+\$1,010,576+\$1,022,703+\$1,034,976+\$1,047,395+\$1,059,964+\$1,072,684+\$1,085,556+\$1,098,583+\$1,111,766+\$273,193+\$1,006,396+\$1,018,473+\$1,030,695+\$1,043,063+\$1,055,580+\$1,068,247+\$1,081,066+\$1,094,038+\$1,107,167) = **\$20,193,086**

Time = ((10 x 17,982 hours) + 5,200 hours + (9 x 21,632 hours)) = **379,708**.

Average per year

Cost = \$20,193,086 / 10 = **\$2,019,309**.

Time = 379,708 / 10 = **37,971 hours**.

13. Estimate of total annual costs to respondents.

The FAA believes there are no additional costs other than what are included in question 12.

14. Estimate of cost to the Federal government.

The FAA has to ensure that the air carrier's manual was revised and maintained.

To calculate the cost of ensuring that the manual was revised and maintained, the following assumptions were used, paralleling those in the regulatory evaluation:

- 248 small and large air carriers.
- Amount of time to ensure the manual was revised (FAA inspector): 1 hour, First year
- Amount of time to verify manual maintenance (FAA inspector): 0.25 hour, Second year – Tenth year.
- For the FAA inspector wage we assume that there will be a 1.2 percent projected annual increase.

First Year Costs for the FAA

Cost = 248 x ((1 hour x \$64.05)) = \$15,884.

Time = 248 x (1 hour) = 248.

Second Year Costs for the FAA

Cost = 248 x ((0.25 hour x \$64.82)) = \$4,019.

Time = 248 x (0.25 hour) = 62.

Third Year Costs for the FAA

$$\text{Cost} = 248 \times ((0.25 \text{ hour} \times \$65.59)) = \$4,067$$

$$\text{Time} = 248 \times (0.25 \text{ hour}) = 62.$$

Fourth Year Costs for the FAA

$$\text{Cost} = 248 \times ((0.25 \text{ hour} \times \$66.38)) = \$4,116.$$

$$\text{Time} = 248 \times (0.25 \text{ hour}) = 62.$$

Fifth Year Costs for the FAA

$$\text{Cost} = 248 \times ((0.25 \text{ hour} \times \$67.18)) = \$4,165.$$

$$\text{Time} = 248 \times (0.25 \text{ hour}) = 62.$$

Sixth Year Costs for the FAA

$$\text{Cost} = 248 \times ((0.25 \text{ hour} \times \$67.98)) = \$4,215.$$

$$\text{Time} = 248 \times (0.25 \text{ hour}) = 62.$$

Seventh Year Costs for the FAA

$$\text{Cost} = 248 \times ((0.25 \text{ hour} \times \$68.80)) = \$4,266.$$

$$\text{Time} = 248 \times (0.25 \text{ hour}) = 62.$$

Eight Year Costs for the FAA

$$\text{Cost} = 248 \times ((0.25 \text{ hour} \times \$69.63)) = \$4,317.$$

$$\text{Time} = 248 \times (0.25 \text{ hour}) = 62.$$

Ninth Year Costs for the FAA

$$\text{Cost} = 248 \times ((0.25 \text{ hour} \times \$70.46)) = \$4,369.$$

$$\text{Time} = 248 \times (0.25 \text{ hour}) = 62.$$

Tenth Year Costs for the FAA

$$\text{Cost} = 248 \times ((0.25 \text{ hour} \times \$71.31)) = \$4,421.$$

$$\text{Time} = 248 \times (0.25 \text{ hour}) = 62.$$

Summary

	Hours	Cost
Year 1	248	\$15,884
Year 2	62	\$4,019
Year 3	62	\$4,067
Year 4	62	\$4,116
Year 5	62	\$4,165
Year 6	62	\$4,215
Year 7	62	\$4,266
Year 8	62	\$4,317
Year 9	62	\$4,369
Year 10	62	\$4,421

Total over 10 years

Cost = (\$15,884+\$4,019+\$4,067+\$4,116+\$4,165+\$4,215+\$4,266+\$4,317+\$4,369+\$4,421 = **\$53,837.**

Time = (248 hours + (9 x 62 hours) = **806.**

Average per year

Cost = \$53,837 / 10 = **\$5,384.**

Time = 806 / 10 = **81 hours.**

15. Explanation of program changes or adjustments.

This is a new collection, therefore it is a program change.

16. Publication of results of data collection.

There is no plan for tabulation or publication.

17. Approval for not displaying the expiration date of OMB approval.

No such approval is being sought.

18. Exceptions to certification statement.

There are no exceptions.