

**Department of Transportation
Federal Aviation Administration**

**SUPPORTING STATEMENT A
Air Carrier Contract Maintenance Requirements
OMB-2120-0766**

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.

The FAA has found that, although an air carrier is required to list its maintenance providers and a general description of the work to be done in its maintenance manual, these lists are not always kept up to date, are not always complete, and are not always in a format that is readily useful for FAA oversight and analysis purposes. Without accurate and complete information on the work being performed for air carriers, the FAA cannot adequately target its inspection resources for surveillance and make accurate risk assessments.

Recent rulemaking requirements in 14 CFR Sections 121.368(h) and 135.426(h) require air carriers to provide a list to the FAA of all persons with whom they contract their maintenance. The list must be updated with any changes, including additions or deletions, and the updated list provided to the FAA in a format acceptable to the FAA by the last day of each calendar month.

The FAA expects this information collection, of maintenance provider data, to enhance the oversight capabilities of both the air carriers and the FAA, and 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.

The continued collection of this 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 all part 121 air carriers, and all part 135 air carriers with aircraft type certificated with a passenger seating configuration of 10 seats or more (excluding any pilot seat) update their required contract maintenance list in their manuals. It is mandatory that affected air carriers record this information monthly for the FAA to review. This information consists of who is performing maintenance on behalf of each affected air carrier, what type of maintenance is being performed, and the location(s) where the maintenance is performed. The information will be recorded in the FAA’s oversight tool, the Safety Assurance System (SAS), and used by the FAA to adequately target its inspection resources for surveillance and make accurate risk assessments. This is a renewal for this collection of information.

FAA has used maintenance provider data from the previous collection, in part, to assist in development of new streamlined processes for safety oversight of contract maintenance. The newly designed oversight process is heavily dependent on this data collection, and will result in a more agile and efficient FAA workforce, which in turn will reduce the audit burden on FAA certificated repair stations.

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. This information collection is available to be submitted 100% electronically. It is estimated that 90% of air carriers use electronic manuals and 10% use paper manuals.

To reduce the burden on the public, FAA has created a method for electronic submission of this information, and is currently working to further improve this technology. The electronic submission is made in the form of an excel file, which air carriers may obtain directly from their respective Flight Standards Office. The basis for the decision to create a method for electronic submission is standardization and consistency.

Additionally, when authorized by FAA, Air carriers may also choose to directly manage electronic submission of this information by using the FAA Safety Assurance System (SAS), external portal via the internet. Information for obtaining access to the SAS External Portal can be found at: <https://sas.faa.gov/sas.external.portal/ext/accounts>

The results of this information collection will not be made available to the public via the internet.

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 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.

Typically, small air carriers do not contract with a large number of maintenance providers. Based on this, 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.

If the collection is conducted less frequently, the information will not be up to date, and not always complete. Without accurate and complete information on the work being performed for air carriers, the FAA cannot adequately target its inspection resources for surveillance and make accurate risk assessments.

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.

A Federal Register Notice published on December, 20, 2018 (83 FR 65391), solicited public comment. No comments were received.

9. Payments or gifts to respondents.

No payments or gifts are provided to respondents.

10. Assurance of confidentiality.

The respondents are not 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.

To calculate the cost of revising and updating the list, the following assumptions were used:

- 202 small air carriers (Based on data from the Safety Performance Analysis System (SPAS)).
- 110 large air carriers, based on SPAS data.

An air carrier may utilize an employee in the office and administrative support occupation wage category to provide this collection. The median annual loaded wage for office and administrative support occupations was \$34,740 in May 2017. (Based on data from the Bureau of Labor Statistics Occupation Outlook Handbook. <https://www.bls.gov/ooh/>) We multiplied the hourly wage rate by 2 to

account for a fringe benefits rate of 69 percent¹ and an overhead rate of 31 percent.² This yielded the fully loaded hourly rate of \$33.40.

We estimate an annual average of 6 hours per month to satisfy the collection requirements. (Large air carrier: 8 hours, small air carrier: 4 hours).

Annual estimated burden hours: 20,256 hours.

Annual estimated cost: \$676,628.3

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. Rationale

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:

- 312 small and large air carriers.
- Amount of time to evaluate the collection: .5 hour.
- For the FAA inspector wage we assume the median annual wage of \$101,286. (Salary table 2018-GS, Grade 14, Step 5.
<https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2018/general-schedule/>)

¹ Source: Congressional Budget Office, "Comparing the Compensation of Federal and Private-Sector Employees, 2011 to 2015" (April 2017), <https://www.cbo.gov/publication/52637>. The wages of Federal workers averaged \$38.30 per hour over the study period, while the benefits averaged \$26.50 per hour, which is a benefits rate of 69 percent.

² Source: U.S. Department of Health and Human Services, "Guidelines for Regulatory Impact Analysis" (2016), https://aspe.hhs.gov/system/files/pdf/242926/HHS_RIAGuidance.pdf. On page 30, HHS states, "As an interim default, while HHS conducts more research, analysts should assume overhead costs (including benefits) are equal to 100 percent of pretax wages...." To isolate the overhead rate, the Department subtracted the benefits rate of 69 percent from the recommended rate of 100 percent.

Based on the annual salary, the hourly wage rate is \$48.70. We multiplied the hourly wage rate by 2 to account for a fringe benefits rate of 69 percent³ and an overhead rate of 31 percent.⁴ This yields a fully loaded hourly rate of \$97.40.

Estimated annual cost to the Federal Government: \$ 15,194.4

15. Explanation of program changes or adjustments.

The number of air carriers has changed and improvements in electronic submissions have resulted in a revised burden estimate.

16. Publication of results of data collection.

The data collection will not be published.

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.

³ Source: Congressional Budget Office, “Comparing the Compensation of Federal and Private-Sector Employees, 2011 to 2015” (April 2017), <https://www.cbo.gov/publication/52637>. The wages of Federal workers averaged \$38.30 per hour over the study period, while the benefits averaged \$26.50 per hour, which is a benefits rate of 69 percent.

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