

Supporting Statement

Certification and Operations: Airplanes with Seating Capacity of 20 or More Passenger Seats or Maximum Payload of 6,000 Pounds or More— 14 CFR part 125

OMB 2120-0085

A. Justification

1. Explain the circumstances that make the collection of information necessary.

Title 49, United States Code, Section 44701 (formerly the Federal Aviation Act of 1958, Section 601) authorizes the Secretary of Transportation to provide for reasonable rules and regulations necessary to provide for minimum safety. FAR Part 125 prescribes requirements for issuing operating certificates and for appropriate operating rules. In addition to the statutory basis, the collection of this information is necessary to:

- * Issue, reissue, or amend applicant's operating certificate.
- * Issue, reissue, or amend applicant's operations specifications.

The information collection directly supports the Department of Transportation's strategic goal on safety. Specifically, the goal is to promote public health and safety by working toward the elimination of transportation-related deaths, injuries, and property damage.

2. Indicate how, by whom, and for what purpose the information is to be used.

A letter of application and related documents which set forth an applicant's ability to conduct operations in compliance with the provisions of FAR Part 125 are submitted to the appropriate Flight Standards District Office (FSDO). This submission is mandatory for those aircraft operators who wish to operate under 14 CFR Part 125. This collection includes both reporting and recordkeeping requirements, as enumerated in question 12. These requirements are annual or as needed, depending on the section. Inspectors in FAA FSDOs review the submitted information to determine certificate eligibility. If the letter of application, related documents, and inspection shows that the applicant satisfactorily meets acceptable safety standards, an operating certificate and operations specifications will be issued. If the information were not collected, the FAA could not discharge its responsibilities directed to the safety of large airplane operators during such operations.

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, and the basis for the decision for adopting this means of collection.

The relevant regulations, advisory material and the Aviation Safety Inspectors' (ASI) Handbook are available electronically. Respondents have access to FAA's WebOPSS

system, which is a database where users can enter information which populates FAA drafts of Part 125 authorizations, pre-signature. The database also has the capability for users to apply electronic signatures to the authorizations. This constitutes approximately 80% of the application process for Part 125 certification. The remainder of the application/certification process for a Part 125 Certificate is completed on a one-on-one, case-by-case interaction with a Flight Standards Inspector Team and does not lend itself to electronic transmission of information.

4. Describe efforts to identify duplication.

We have reviewed our directives and guidance material to ensure that no duplication exists. No other agency is responsible for collecting information on FAR Part 125 operators. The collection of information required by FAR 125 can only be supplied by large airplane operators requesting certification. Similar information is not available from any sources other than in question 2.

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

Applicants for operating certificates, whether small business or large, are guided through the administrative requirements of FAR Part 125 by the local FSDO responsible for certification. The workload is proportionate to the total number of aircraft operations. Burden is minimized by providing electronic means of submitting information, as described in question 4.

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.

The operators are only asked pertinent safety information necessary to make a factual determination that the proposed aviation activity would not be detrimental to public safety. All records and information is gathered for the accomplishment of a specific regulatory requirement necessary to maintain a high degree of safety in aviation. These requirements were carefully thought out prior to implementation and to delay the collection and documentation of this information might well create possible hazards in the national airspace system.

The frequency of this information collection is not set by the FAA; it is established as needed by the applicant who seeks certification under FAR 125.

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

There are no special circumstances.

8. Describe efforts made 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 the data elements to be recorded, disclosed, or reported.

A notice for comment was published in the Federal Register on March 31, 2020 (85 FR 17939). No comments were received.

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

No payments or gifts are made to respondents.

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

No assurances given.

11. Provide justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.

There are no questions of a sensitive nature.

12. Provide estimates of the hour burden of the collection of information.

We estimate that FAR Part 125 will require a total annual reporting and recordkeeping burden of **50,427 hours**; 18,643 hours constitute reporting and 31,784 hours constitute recordkeeping. We estimate 240,804 responses. There are currently **75 certificated** Part 125 operators as well as those issued a Letter of Deviation Authority (LODA) from the requirements to hold an Operating Certificate. We estimate approximately **10 new applicants per year**, making a total of **85 operators**.

The FAA has found that these activities are typically performed by a company's **Flight Operations Manager**, for which FAA is using the BLS wage rate for commercial pilots of **\$39.54** per hour¹ (\$82,240 per year divided by 2,080 hours per year). The FAA has applied a multiplier of **29.9 percent**² to account for fringe benefits, plus an estimated **17 percent** for overhead costs such as rent, equipment and utilities.³ The fully loaded hourly rate is the base rate of \$39.54 multiplied by (29.9+17=46.9). $39.54 * 1.469 = 58.09$. Thus, the fully loaded hourly rate is **\$58.09**.

The total hourly burden of 50,427 multiplied by the fully loaded hourly rate of \$58.09 results in an annual cost burden of **\$2,929,304**.

¹ <https://www.bls.gov/ooh/transportation-and-material-moving/airline-and-commercial-pilots.htm>

² <https://www.bls.gov/news.release/ecec.nr0.htm>

³ <https://www.regulations.gov/document?D=EPA-HQ-OPPT-2014-0650-0005>

The specific FAR Part 125 reporting requirements are prescribed by the following:

Section 125.21 - Application for an Operating Certificate. Reporting requirement: Requires applicants for an operating certificate to submit a letter of application to the FSDO office that has jurisdiction over the area in which the applicant's principal operation base is located. A detailed description of how the applicant will comply with each individual section of the FAR will be included. Once a certificate is obtained, it remains in effect until surrendered, suspended, or revoked.

Approximately 10 applications per year at 60 hour rate = 600 hours

Section 125.35 - Amendment of Operations Specifications. Reporting requirement: Requires the certificate holder to request a desired change to operations specifications from the appropriate FSDO 15 days before the proposed effective date of the change.

Estimated Number of Changes Per Year	73
Average Hours Per Application	<u>x2</u>
Estimated Annual Burden	146 hours

Section 125.37 - Duty Period Limitations. Requires that each flight crewmember and flight attendant be relieved from all duty for at least 8 consecutive hours during any 24 hour period. Due to the extremely small number of flight crewmembers and flight attendants, this burden is addressed in Section 125.401, Crewmember Records. The records required to be available for inspection will enable the Federal Aviation Administration to verify whether a certificate holder is in compliance with the regulation.

Section 125.53 - Flight Locating Requirements. Reporting requirement: Each applicant for a Part 125 certificate must file a flight plan or establish and submit procedures for locating each flight for which an FAA flight plan is not filed. Two hundred and four airplanes (2.4 airplanes x 85 operators) x 300 operations = 61,200 operations.

Estimated Flight Plans/Flight Locating Reports	61,200
Average Hours Per Procedure	<u>x .2</u>
Estimated Annual Burden	12,240 hours

Section 125.71 - Manual Preparation. Reporting requirement: Each applicant for a Part 125 certificate must prepare and keep current a manual of procedures and policies that meets the minimum standards of the FAR. FAA is responsible for determining if a manual is acceptable, to ensure that manual's contents are not contrary to the rules and are adequate for the operations the applicant proposes to conduct.

Manuals are submitted only once and amendments are submitted only when the operator desires to expand or change operations.

Estimated Number of Manuals Submitted	10
Average Hours Per Manual	<u>x 80</u>

Estimated Annual Burden 800 hours

Manuals must be kept current through revision. The present 75 certificated operators and those who will be certificated result in the following:

Estimated Annual Number of Revisions to Operator's Manual (5 per operator)	375
Average Hours Per Revision	<u>x 2.5</u>
Estimated Annual Burden for Revisions	938 hours

Section 125.249 - Maintenance Manual Requirements. Each certificate holder's manual must include a description of its maintenance organization and procedures. This burden is covered under 125.71, Manual Preparation.

Section 125.295 - Check Pilot Authorization. Reporting requirement: Each certificate holder desiring to have a company employee designated as a check pilot shall submit a request in writing to the FAA.

Estimated Annual Number of Requests	15
Average Hours Per Request	x <u>1.5</u>
Estimated Annual Burden for Requests	23 hours

Section 125.319 - Emergency Operations. Reporting requirement: Requires each person to send a written report of any deviation from the rules of Part 125 to the FAA FSDO charged with the overall inspection of the certificate holder within 10 days after the occurrence.

Estimated Annual Written Reports	20
Average Hours Per Report	x <u>1.5</u>
Estimated Annual Burden	30 hours

Section 125.323 - Reporting Mechanical Irregularities. Recordkeeping requirement: Requires that the pilot in command enter all mechanical irregularities occurring during flight in the maintenance log of the aircraft. An estimated two hundred and four airplanes (2.4 airplanes x 85 operators) x 300 operations = 61,200 operations; with 40 percent mechanical irregularities = 24,480.

Estimated Annual Recordkeeping Entries	24,480
Average Hours Per Entry	<u>x .2</u>
Estimated Annual Burden	4,896 hours

Section 125.383 - Load Manifest. Recordkeeping requirement: Each certificate holder is responsible for preparing a load manifest before each takeoff.

Estimated Annual Manifest Entries	61,200
Average Hours Per Entry	<u>x .25</u>
Estimated Annual Burden	15,300 hours

Section 125.401 - Crewmember Records. Recordkeeping requirement: Each certificate holder shall maintain current records of each crewmember. In computing the total number of crewmembers a base figure of 2.2 per airplane allows for the third required crewmember (flight engineer) on certain airplanes. This recordkeeping requirement includes proficiency checks, physical examination, flight time records, and any other action taken concerning employment or professional and physical qualifications of crewmembers.

204 Airplanes x Average 2.2 Crewmembers	449
Estimated Hours Per Record	<u>x 4.0</u>
Estimated Annual Burden for Recordkeeping	1,796 hours

Section 125.403 - Flight Release Form. Recordkeeping requirement: Certain essential information must be maintained by each certificate holder concerning each flight. The flight release may be in any form as long as it contains the required information.

204 Aircraft x 300 Operations	61,200
Estimated Hours Per Release	<u>x .1</u>
Estimated Annual Burden for Recordkeeping	6,120 hours

Section 125.407 - Maintenance Log Entries. Recordkeeping requirement: The entry requirements of this section are a reiteration of an existing requirement of Part 43 and do not impose an additional reporting burden. However, these entries must be made available to the flightcrew which is an additional recordkeeping burden as follows:

Estimated Number of Aircraft	204
Estimated Annual Burden Per Aircraft	<u>x 12</u>
Estimated Annual Burden for Recordkeeping	2,448 hours

Section 125.409 - Reports of Defects or Unairworthy Conditions. Reporting requirement: Each certificate holder shall report the occurrence of detection of each failure, malfunction, or defect to the FAA district office.

Estimated Annual Report Submissions	19,328
Estimated Hours Per Report	<u>x .2</u>
Estimated Annual Burden for Reports	3,866 hours

Section 125.411 - Airworthiness Release. Recordkeeping requirement: Not every flight will require a maintenance release. We estimate that of 61,200 operations, 20 percent will require a maintenance release.

Estimated Annual Releases x 20 percent	12,240
Estimated Hours Per Record	<u>x .1</u>
Estimated Annual Burden for Recordkeeping	1, 224 hours

The reporting and recordkeeping burden and total annual responses are summarized as follows:

Section	Reporting Hours	Recordkeeping Hours	Responses
125.21	600		10
125.35	146		73
125.53	12,240		61,200
125.71 (manual prep)	800		10
125.71 (revisions)	938		375
125.295	23		15
125.319	30		20
125.323		4,896	24,480
125.383		15,300	61,200
125.401		1,796	449
125.403		6,120	61,200
125.407		2,448	204
125.409	3,866		19,328
125.411		1,224	12,240
SUBTOTALS:	18,643	31,784	240,804
TOTALS:	50,427		
ECONOMIC BURDEN	50,427 * \$58.09= \$2,929,304		

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

We estimate there will be no additional costs.

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

The total estimated annual cost to the Federal Government is ***\$384,457.14***

This cost was determined based on the FAA inspectors' time required to review and process original applications for original certificate, operations specifications, and requests for amendments.

We estimate 10 applications for original operating certificates and 32 hours of manual review and approval for an average of 62.6 hours of inspectors' time (1.5 hours per application).

We estimate 3,804 amendments are submitted to obtain the appropriate benefit at an average cost of 1.0 hour of inspectors' time. (These amendments include changes, flight plans, revisions to manuals, and emergency operations).

The FAA assumes a mid-grade GS-13 salary, Rest of USA locality. Annual salary is \$103,396,⁴ divided by 2,080 hours for an hourly rate of \$49.70. The FAA uses a fringe benefits and overhead cost, for FAA employees, of 100%.⁵ This results in a fully loaded wage of \$99.42 per hour.

$(10+32)*1.5=63$ hours. $63*\$99.42 = \$6,263.46$
 $3,804*1*\$99.42 = \$378,193.68$
 $\$6,263.46+\$378,193.68 = \$384,457.14$

15. Explain reasons for changes in burden, including the need for any increase.

The agency has separated collection activity into appropriate information collections. There are no additional forms, applications or instructions.

The population of respondents has remained stable since the previous submission. However, the previous submission did not properly account for the total number of responses. Thus, this ICR reflects an increase in responses. There is, however, a de minimis decrease in the number of burden hours; this reflects a more precise methodology (elimination of several instances of double-counting) used in arriving at the agency estimate. In addition, the previous submission did not apply a benefit or overhead multiplier for federal costs. That cost has therefore increased.

16. For collection of information whose results will be published, outline plans for tabulation, and publication.

There are no plans for publication of this information.

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 of the Paperwork Reduction Act Submissions” of OMB Form 83-1.

There are no exceptions.

⁴ <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2020/RUS.pdf>

⁵ 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....”