

Supporting Statement A
Recording of Aircraft Conveyances and Security Documents
OMB 2120-0043

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection.

49 U. S. C. § 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 eligible engines, propellers, or spare part locations, and for recording of releases relating to those conveyances. Federal Aviation Regulation 14 CFR Part 49 establishes procedures for implementation of 49 U. S. C. § 44108 and describes what information must be contained in a security conveyance in order to meet FAA recording requirements.

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 49 U. S. C. § 44108. Proper recording of liens and releases of those recorded liens is necessary to advance the nation's 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.

When an aircraft owner satisfies their debt, regulations mandate that the lien holder report the satisfaction of the lien to the Civil Aviation Registry, Aircraft Registration Branch (Registry). The lien holder completes Part II - Release at the bottom of the AC Form 8050-41, Notice of Recordation, with a date and signature to signify release of the debt. The lien holder sends the form to the Registry so that the interest in the aircraft shows released. The lien holder may submit the same information without using the form, if desired.

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.

The current official file for the Aircraft Registry is an electronic based record system. This applies to maintenance of the records and does not affect the collection of information, which must come from each individual aircraft owner or secured party. We are currently accepting any digitally signed documents through an electronic submission email portal. The documents still have to be printed by Registry personnel and electronically scanned into a work packet for examination.

The Aircraft Registry is making great strides towards a fully automated online aircraft registration and recordation system. The new system will allow aircraft registrants and security holders to create an account associated with an aircraft record. This will allow them to fill in their information electronically and upload any forms or supporting information right from their computer. The new system will allow access to other entities depending on the role they play and the information needed. The Aircraft Registry is currently in the Request for Information (RFI) stage in order to choose a vendor for development. The projected implementation is by the end of 2021.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purpose described in Item 2 above.

There is no duplication of either information or information gathering.

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

The burden is the same for all lien holders and is the minimum necessary to establish a security interest in an aircraft, engine, propeller, or spare parts location and to release subject lien.

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 and releases since they are submitted only once, when a security interest is given and released.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

- **requiring respondents to report information to the agency more often than quarterly;**
- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- **requiring respondents to submit more than an original and two copies of any document; requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years;**
- **in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;**
- **requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**

- **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or requiring respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

There are no special circumstances.

8. Provide information on the PRA Federal Register Notice that solicited public comments on the information collection prior to this submission. Summarize the public comments received in response to that notice and describe the actions taken by the agency in response to those comments. Describe the 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 the data elements to be recorded, disclosed, or reported.

A Federal Register Notice published on April 23, 2020 (85 FR 22784) solicited public comment. There were no comments.

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

There are no payments or gifts provided to respondents.

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

There is no assurance of confidentiality to the respondents.

11. Provide additional 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 information. The statement should:

- **Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary**

widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices. * If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens. • Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included under item 13.

The Registry estimates the hour burden based on statistical information collected by the Registry each fiscal year. The information in this statement is from FY19. In FY19, respondents filed 22,370 releases. Each security holder and borrower should spend approximately 60 minutes (1 hour) completing a security conveyance, which is required in order to get a release form from the FAA, for a total hour burden of 22,370 hours.

The one-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 Registry to meet requirements in 14 CFR Part 49, 49 U. S. C. 44108, and 4 U. S. C. 1830, the following action must be completed: Conduct a title search for any outstanding security interests, releases of those interests, and a complete chain of title. The borrower must also obtain the loan and fill out a loan application with a loan officer. The total time involved is the burden placed on the public.

- a. Time for loan officer to assist borrower with loan application: 20 minutes
- b. Time used by borrower during interview: 20 minutes
- c. Time for title search for outstanding security interests, research for releases, and chain of title: 20 minutes

Total Burden: 60 minutes

Summary (Annual numbers)	Reporting	Recordkeeping	Disclosure
# of Respondents	22,370		
# of Responses per respondent	1		
Time per Response	1 hour		
Total # of responses	22,370		
Total burden (hours)	22,370		

Based upon the U.S. Bureau of Labor Statistics Occupational Handbook the estimated median wage for a Loan Officer is \$36.64 per hour.¹ Using BLS's Employer Costs for Employee Compensation memo released September 17, 2019,² the FAA calculated the mean hourly wage, plus benefits, for these officers to be \$53.41 (\$36.64 + \$16.77). The total estimated annual cost burden to the respondents is 22,370 X \$53.41 for a total annual cost of \$1,194,782.00.

There are no additional overhead costs that would be incurred on this collection.

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

There are no additional costs to the respondents.

14. Provide estimates of annualized costs to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information.

The Registry uses the average hourly rate of a Legal Instruments Examiner and different levels of Contract Clerks used at each stage of processing to determine the wage rate.

The Office of Management and Budget (OMB) guidance for civilian federal employees determined that the full fringe benefit cost factor is 36.25%.³ Using OMB's guidance, the FAA calculated the mean hourly wage, plus benefits, for a:

- Government Legal Instruments Examiner to be \$42.57 (\$27.14 + \$15.43),
- Contract Clerk (Print/File/Mail/Scan) wage rate to be \$31.97 (\$20.38 + 11.59), and
- Contract Clerk (Prep/Index) wage rate to be \$41.00 (\$26.14 + 14.86).

The total annualized cost for producing and mailing 8,853 (FY19) AC Form 8050-41 Notice of Recordation forms (produced upon recordation of filed security conveyances) to lienholders that filed a security conveyance, including direct and indirect costs at \$35.13 per unit, is about **\$311,006**. The following table shows the calculations for per unit cost.

Gvt Legal Instruments Examiner	.75 hr	@ \$42.57 per hr	\$31.93
wage rate			
Contract Clerk (Print/File/Mail)	.10 hr	@ \$31.97 per hr	\$3.20
wage rate			

¹ <https://www.bls.gov/oes/current/oes132072.htm>

² <https://www.bls.gov/news.release/pdf/ecec.pdf> released September 17, 2019

³ <https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/memoranda/2008/m08-13.pdf>

Total Per Unit \$35.13

The total annualized cost for recording/processing 22,370 (FY19) AC Form 8050-41 Notice of Recordation forms returned to the Registry to show release of an encumbrance at a cost of \$22.20 per unit is about **\$496,614**. The following table shows the calculations for per unit cost.

Gvt Legal Instruments Examiner wage rate	.35 hr	@ \$42.57 per hr	\$14.90
Contract Clerk (Mail) wage rate	.05 hr	@ \$31.97 per hr	\$1.60
Contract Clerk (Prep) wage rate	.05 hr	@ \$41.00 per hr	\$2.05
Contract Clerk (Index) wage rate	.05 hr	@ \$41.00 per hr	\$2.05
Contract Clerk (Scan) wage rate	.05 hr	@ \$31.97 per hr	\$ 1.60
Total Per Unit			\$22.20

Total Annualized Government Cost = \$311,006 + \$496,614 = \$807,620

15. Explain the reasons for any program changes or adjustments.

The burden is based on customer submissions which fluctuates up or down from year to year. The decrease in the reporting burden is due to a decrease in the number of respondents submitting releases of encumbrances for FY19 over the FY data used for the previous renewal submission. The adjustment reflects a decrease in elective activity by the public, not a change in a government requirement. The time per response was adjusted from 55 minutes to an hour to reflect a better estimate of time needed to apply for a loan.

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. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

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 “Certification for Paperwork Reduction Act Submissions.”

There are no exceptions.