

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

Revisions have been made to the following items:

1. Added Reauthorization Act of 2018 requirement.
2. Updated to show implementation date and changes to form.
3. Updated to include current CARES information.

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

This information collection directly supports the U.S. 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 security conveyances and releases of those recorded security conveyances is necessary to advance the nation's vital security interest in support of national strategies by protecting the interest of small and large aircraft investment companies as well as the interest of aircraft owners.

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.

14 CFR Part 49 "Recording of Aircraft Titles and Security Documents", establishes procedures for implementation of 49 U. S. C. § 44108 and describes the information that must be contained in a security conveyance to meet FAA recording requirements. DOT/FAA – 801; Aircraft Registration System, System of Records Notice (SORN) prescribes policies and practices for storing, retrieving, accessing, retaining, and disposing of records in the registration system.

The Chicago Convention and the Convention on the International Recognition of Rights in Equipment prevents, by treaty, the export of an aircraft and cancellation of its nationality marks if there is an outstanding security conveyance recorded. The Federal Aviation Administration (FAA) Civil Aviation Registry must have consent or release of the security conveyance from the security holder prior to confirmation/cancellation for export.

*The FAA Reauthorization Act of 2018* (Public Law 115-254 or The Act), Section 546, "FAA Civil Aviation Registry Upgrade", requires:

1. The digitization of non-digital Registry information, including paper documents, microfilm images, and photographs, from an analog or non-digital format to a digital format;
2. The digitalization of Registry manual and paper-based processes, business operations, and functions by leveraging digital technologies and a broader use of digitized data;
3. The implementation of systems allowing a member of the public to submit any information or form to the Registry and conduct any transaction with the Registry by electronic or other remote means; and
4. Allowing more efficient, broader, and remote access to the Registry.

In response to this requirement, the FAA created Civil Aviation Registry Electronic Services (CARES) which will change this information collection to accommodate electronic registry submissions.

**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.**

This information collection is mandatory for any person or entity releasing a security conveyance. When an aircraft owner satisfies their debt, 14 CFR Part 49.17, "Conveyances recorded", mandates that the security holder report the satisfaction of the security conveyance to the FAA Civil Aviation Registry (Aircraft Registry). When the Aircraft Registry records a security conveyance, an AC Form 8050-41 Notice of Recordation, is prepared by an Examiner to display the collateral, parties, and recording information. The form is mailed to the security holder. When the debt is satisfied the security holder completes Part II, Release, at the bottom of the AC Form 8050-41; a security holder signature and date is required to signify release of the debt. The security holder mails the form to the Aircraft Registry so that the interest in the aircraft shows to be released. The security holder may submit the same information without using the form, if desired. This form is not available for download since an FAA Examiner has to fill in the information.

**In the Fall/Winter of 2022**, CARES will streamline the way this form is submitted by providing an online portal for users to submit the form information electronically. In cases where the FAA initiates a notification to the user, such as issuance of the AC Form 8050-41, CARES will send a notification directly to the user via email. Alternatively, for public users opting to use a paper-based format, the system will send a mail-based notification to the user via the mailing address provided and anticipate any hardcopy forms be returned in a similar manner.

All paper forms will be revised to collect the email address of the public user to help streamline processing of the public users' request. The AC Form 8050-41 was

reformatted to make space available for an email address and to allow for easier extraction of the information provided. The modified paper form will supersede all prior forms.

### **Information for User Identity Verification:**

**Today**, there is no process for collecting information on the individual for identity verification (ID verification) purposes. Any public individual submitting information is assumed to be whom they claim to be, and the information they submit is accepted as-is.

**In the Fall/Winter of 2022**, CARES will leverage FAA's MyAccess capability to validate the identity of a public user through a 3<sup>rd</sup> party vendor, ID DataWeb. Upon establishing an online user account, MyAccess will request that public users provide additional information directly to ID DataWeb to be used for ID verification. ID DataWeb will provide MyAccess with a *pass* or *fail* indicator, conveying whether the public user was verified. A public user that failed ID verification will still be permitted to use functionality within CARES, but at a greater level of oversight and scrutiny, which may hinder or slow down the processing request.

### **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.**

**Today**, the public user submits information and images through the mail in a paper-based format, where the Aircraft Registry enters this information into a file that is retained in an electronic based records management system. The Aircraft Registry maintains the records and does not affect the collection of information; collection of information must originate from each individual aircraft owner or secured party, primarily through the paper-based submission process (i.e. USPS). In 2020, the Aircraft Registry began accepting digitally signed documents through an electronic submission email portal. Documents received through the email portal are printed to a paper-based format and electronically scanned into a work packet for examination and entry into the Aircraft Registry electronic records management system.

The existing Aircraft Registry service has several limitations and involves unnecessary tasking on both the public user and the Registry processors. The public user must manually populate paper-based forms with information prior to submitting the forms through the mail. Once documentation is received by the Aircraft Registry, a processor must manually enter the information into the Aircraft Registry system, as an initial step that requires ample time, labor, and is prone to error. Any information that is absent, incorrect, or lacking in detail must be formally requested by the Aircraft Registry office,

resulting in the public user to submit more paper-based documentation through the mail, invariably slowing down the process.

In the event the public user would like to access the Aircraft Registry system or review processing status, they must physically visit the Aircraft Registry location and use an FAA provided computer.

**In the Fall/Winter of 2022**, CARES will utilize modern Cloud services, which includes an interactive web-based portal, allowing for immediate transmission of information between the public user and the Aircraft Registry processor. This web-based portal will streamline the manner in which the form information is populated and submitted into the Aircraft Registry, while also helping to ensure that correct information is provided in full. A web-based means of submitting information allows for a more guided information exchange process (e.g., pre-populating known data, providing guidance material, client-side data validation techniques, etc.), and is expected to streamline the manner and timeframe in which the full and complete information is provided by the public user to the Aircraft Registry office for review.

#### **Aircraft Registry Processing to Make Determination:**

**Today**, aircraft-related activities require considerable manual processing and transporting of paper documents. To provide aircraft registration and recordation services, the Aircraft Registry processes a large quantity of paper documents, primarily in the form of mail, fax, and hand delivered submissions. FAA processing is typically initiated by the retrieval and opening of mail sent into the Aircraft Registry. Processing paper documentation requires numerous steps to prepare information to be entered into the legacy mainframe infrastructure, often referred to as the Registry Modernization System (RMS). This process involves manual preparation, scanning, and indexing. Most of the information received is manually converted into electronic images and data, which FAA Examiners use to continue processing the documentation through RMS. Depending on the submitted request, the process may follow a standard or non-standard approach, and usually results in an issuance, denial, or request for additional information.

**In the Fall/Winter of 2022**, CARES will provide a web-based portal for users to submit aircraft information electronically and allow for a near real-time digital receipt of information. Electronic retrieval of the information will allow for the information to be processed automatically and expeditiously.

In the cases where the public user opts to mail paper-based forms to the Aircraft Registry, the CARES automation process will leverage Optical Character Recognition (OCR) and Intelligent Character Recognition (ICR) technologies to detect, extract, and analyze information provided on the paper forms. This information will then be properly

formatted and imported into CARES, where it will be processed automatically, or redirected for FAA Examiner review when necessary.

**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 records or record-keeping.

**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 security holders and is the minimum necessary information gathered to establish a security interest in an aircraft, engine, propeller, or spare parts location and to release the subject security interest.

**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.**

Security conveyances and releases are submitted only once, when a security interest is given and then released. Non-compliance with statutory requirements is a consequence of not collecting the information.

**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 and no proprietary or confidential information is collected.

**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 60-day Federal Register Notice was published on January 27, 2022 (87 FR 4325) soliciting public comments. There were no comments.

There was no effort to consult with persons outside the agency other than publishing the Federal Register Notice to solicit comments.

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

No payments or gifts were provided.

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

Information collected is public information. There is no promise of confidentiality.

**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,<br>research for releases, and chain of title: | 20 minutes |
| <hr/> |   |            |
|       | Total Burden:   | 60 minutes |

Summary (Annual numbers)	Reportin g	Recordkeepin g	Disclosur e
<b># of Respondents</b>	22,370		

<b># of Responses per respondent</b>	1		
<b>Time per Response</b>	1 hour		
<b>Total # of responses</b>	22,370		
<b>Total burden (hours)</b>	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.<sup>1</sup> Using BLS's Employer Costs for Employee Compensation memo released September 17, 2019,<sup>2</sup> 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.

**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 (M-08-13, Update to Civilian Position Full Fringe Benefit Cost Factor) determined that the full fringe benefit cost factor is 36.25%.<sup>3</sup> 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),

<sup>1</sup> <https://www.bls.gov/oes/2019/may/oes132072.htm>

<sup>2</sup> [Employer Costs for Employee Compensation - June 2019 \(bls.gov\)](#) released September 17, 2019

<sup>3</sup> <https://www.whitehouse.gov/omb/management/office-federal-procurement-policy/>



- 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 lien holders that filed a security conveyance, including direct and indirect costs at **\$35.13** per unit, is about **\$311,005.89**. The following table shows the calculations for per unit cost.

Gvt Legal Instruments Examiner wage rate	.75 hr	@ \$42.57 per hr	\$31.93
Contract Clerk (Print/File/Mail) wage rate	.10 hr	@ \$31.97 per hr	\$3.20
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 **\$496,614.00**. 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 = \$311,005.89 + \$496,614.00 = \$807,619.89**

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

The CARES initiative was established in response to the FAA Reauthorization Act of 2018 (Public Law 115-254 or The Act) Section 546. The United States Government Accountability Office (GAO) also published a report titled, "Aviation FAA Needs to Better

Prevent, Detect, and Respond to Fraud and Abuse Risks in Aircraft Registration”, in March of 2020. In response to both of these, the FAA created CARES and has continued to evolve the CARES solutions to enhance its ability to detect and mitigate against fraud and other abuses. The CARES team is implementing design solutions that are user-focused and satisfies the shortcomings identified in both the Reauthorization Act and the GAO report.

**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 plans for tabulation or publication of the information collected.

**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.**

There are no issues with displaying the expiration date for OMB approval.

**18. Explain each exception to the certification statement identified in Item “Certification for Paperwork Reduction Act Submissions.”**

There are no exceptions.