

# Economic Analysis of Deregulatory Action: 1652-0029 Maryland Three Airports

## I. Deregulatory Action

In July 2017, TSA provided flexibility to certain individuals by allowing electronic submission of documents for a security threat assessment (STA) associated with the Paperwork Reduction Act Information Collection Request OMB No. 1652-0029, Maryland Three Airports: Enhanced Security Procedures for Operations at Certain Airports in the Washington, DC, Metropolitan Area Flight Restricted Zone. In July 2018, TSA recognized and quantified the deregulatory impact of this action during the application for an extension to the Maryland Three (MD-3) Information Collection Request (ICR).

## II. Background

Pursuant to 49 U.S.C. 114 and 49 CFR part 1562, TSA requires security measures for flight operations at the MD-3 airports (College Park Airport (CGS), Potomac Airfield (VKX), and Washington Executive/Hyde Field (W32)) to protect important national assets in the Washington, DC area. One measure requires all individuals who operate an aircraft to or from these airports, or who serve as an airport security coordinator, to submit personal information and fingerprints to TSA for an STA. TSA's MD-3 regulations were promulgated to permit flight operations that had been prohibited at these airports immediately after the terrorist attacks on September 11, 2001, and to enhance security of critical infrastructure and Federal government assets in the Washington, DC metropolitan area. In 2017, the MD-3 Airports announced on their websites<sup>1</sup> the deregulatory action of allowing submission of STA documents electronically.

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<sup>1</sup> See, for example, College Park Airport's site on MD-3 processes. <http://collegeparkairport.aero/md3.html>

### III. Impact on Public Burden

Prior to this deregulatory change in the MD-3 ICR, applicants had to travel to an MD-3 airport twice for their STA applications, including a visit to show identity documents for verification purposes.<sup>2</sup> In addition, applicants had to travel to a separate FAA Flight Standards District Office (FSDO) for FAA to examine their FAA airman and medical certificate. TSA's deregulatory action allows applicants to submit their application and supporting documentation electronically and TSA to use technology to verify documentation, rather than an in-person visit. Electronic submission of information includes: application, FAA Medical Certificate, FAA Airman Certificate (Pilot), DC Special Flight Rules Area (SFRA) Training Certificate, and a Government Issued Photo I.D. This deregulatory action reduces the time applicants spend traveling to an MD-3 airport and FSDO.

### IV. Estimation of Hour Burden and Hour Burden Cost Savings to the Public

In the previous ICR, TSA estimated the average round trip to and from an MD-3 airport takes two hours in total, as some applicants travel from other states. The previous ICR also assumed two trips to an MD-3 airport per applicant, for a total of four hours of travel time for the airport. In addition to MD-3 airport trips, TSA assumed an additional trip to the FSDO which takes four hours round trip.<sup>3</sup> In total, TSA estimated, in the previous ICR, that travel time was, on average, eight hours per applicant.

Due to this deregulatory action, TSA, which processes all MD-3 STA applications, has seen 100 percent of applicants submit their documentation electronically in the past year. This means

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<sup>2</sup> STAs for the MD-3 program do not require renewals as MD-3 program participants are vetted constantly.

<sup>3</sup> FSDO locations are FAA components and are not located in close proximity to the MD-3 airports. The nearest FSDOs are in Glen Burnie, Herndon, and Richmond, therefore the time burden associated with travelling to an FSDO location is higher than travel time to one of the MD-3 airports.

applicants are no longer traveling to the FSDO or an MD-3 airport to submit documents. TSA assumes all future applicants will do the same going forward. However, applicants would still need to travel to either a participating airport or law enforcement organization to get fingerprinted and have them submitted. To estimate the burden of this trip, TSA assumes the same burden as one round trip to the MD-3 airport, or two hours of travel, per applicant. TSA made the decision to use one trip in its current ICR burden estimate because it is a close proxy to an applicant driving to an airport to be fingerprinted.<sup>4</sup> The result is a reduction of six hours, on average, of travel time per STA applicant. There were 369 applicant submissions (all electronically) in the past year. TSA uses this number to calculate annual cost savings because TSA assumes submissions have reached a steady-state level based on historical number of submissions.<sup>5</sup> TSA calculates a total annual hour burden reduction of 2,214 hours.

The MD-3 STA applicant population is mostly comprised of pilots, therefore TSA uses the May 2017 Bureau of Labor Statistics mean annual wage of \$90,290 for commercial pilots on nonscheduled air carrier routes or helicopters as the basis to estimate time savings.<sup>6</sup> TSA divided the annual mean wage by 2,080<sup>7</sup> hours to calculate an hourly wage rate of \$43.41. TSA uses a compensation factor of 1.513<sup>8</sup> to account for benefits. TSA multiplied the mean hourly wage

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<sup>4</sup> TSA uses estimates for the time burdens, as it has done for the previous MD-3 ICRs, because TSA does not collect data from MD-3 program applicants on their travel time.

<sup>5</sup> Previous annual submissions have ranged between 250 and 400.

<sup>6</sup> Bureau of Labor Statistics (BLS). May 2017 National Industry-Specific Occupational Employment and Wage Estimates. NAICS 481200 - Nonscheduled Air Transportation. Occupation Code 53-2012 Commercial Pilots. Last Modified March 30, 2018. Accessed August 2, 2018. [https://www.bls.gov/oes/2017/May/naics4\\_481200.htm#53-0000](https://www.bls.gov/oes/2017/May/naics4_481200.htm#53-0000).

<sup>7</sup> 2,080 = 40 working hours a week and 52 weeks a year.

<sup>8</sup> Ratio of Total Compensation and Wages and Salaries, 1.513053 = 28.40 ÷ 18.77. BLS. Employer Costs for Employee Compensation News Release. Table 5 - Employer costs per hour worked for employee compensation and costs as a percent of total compensation: private industry workers, by major occupational group and bargaining unit status, March 2018. Production, transportation, and material moving. Last Modified June 8, 2018. Accessed August 2, 2018. [https://www.bls.gov/news.release/archives/ecec\\_12152017.htm](https://www.bls.gov/news.release/archives/ecec_12152017.htm)

rate by the compensation factor to estimate a fully loaded wage rate of \$65.68.<sup>9</sup> TSA estimates a total annual hour burden cost reduction of \$145,415. Table 1 summarizes these estimates.

**Table 1: Annual Hour Burden and Cost Savings from Deregulatory Action**

<b>Reduction in Hour Burden per Application</b>	<b>Number of Annual Applications</b>	<b>Annual Hour Burden Reduction</b>	<b>Annual Cost Savings</b>	<b>Perpetual Annualized Cost Savings</b>
<b>A</b>	<b>B</b>	<b>C = A × B</b>	<b>D = C × \$65.68</b>	<b>Year 1 = 2018</b>
6	369	2,214	\$145,415	\$127,011

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<sup>9</sup> \$65.68 = \$43.40865 × 1.513053.