

Wicket #

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U.S. Department of Transportation
Federal Aviation Administration

800 Independence Ave., S.W
Washington, D.C. 20591

FAA-2002-11301-39

DEC 20 2002

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DIRECTOR, OPERATIONS

Ms. Sarah MacLeod
Executive Director
Aeronautical Repair Station Association
121 North Henry Street
Alexandria, VA 22314-2903

Dear Ms. MacLeod,

Thank you for your comments of July 29, 2002. We appreciate the time and effort that you expended in polling your members and compiling industry data for inclusion in your comments. In order to help the FAA better analyze the substantive content of your comments, we request clarification of the following points regarding the cost impact of the FAA's proposed rulemaking changes:

1) On page 15, you state "In our view, many more repair stations will have to be included in the drug and alcohol program because of the possibility that they will be asked to perform maintenance as a lower tier provider without having actual knowledge that their work relates to an air carrier's equipment. Therefore, if we assume that 3,250 repair stations will be covered by the new rules (an increase of about 1,000), each of the above cost estimates should be multiplied by a factor of 10 to determine the proposal's estimated cost to the aviation industry."

In order to evaluate the validity of multiplying the cost estimates by a factor of 10, the FAA needs documentation from ARSA to show that the repair stations that answered the survey accurately reflect the repair station industry. Specifically, were the 325 repair stations responding to your survey chosen by a statistically valid random process and/or do they accurately reflect the spectrum of all repair stations? If so, what documentation does ARSA have that the repair stations that answered are an accurate reflection of the industry?

2) On page 16, you state "325 repair stations advised that they collectively used almost 5,000 non-certificated maintenance subcontractors, or an average of approximately 15 per repair station."

In order to evaluate this comment, the FAA needs documentation specifying who the 5,000 non-certificated maintenance subcontractors are. The FAA is concerned that some

of these repair stations use the same non-certificated maintenance subcontractors. Therefore, the number of subcontractors estimated may include substantial duplication. In other words, after eliminating duplication, how many total non-certificated maintenance subcontractors are used by these 325 repair stations? Secondly, does the data show that these non-certificated subcontractors do not currently have FAA-approved drug and alcohol testing programs or are not currently covered under other programs? Accordingly, the FAA is requesting, for each responding repair station:

- The name of the repair station
- The total number of employees. How many of these employees are involved in production work?
- Is it a contractor to a part 121 or a part 135 operator?
- Does it currently have drug and alcohol programs?
- The name of each certificated maintenance subcontractor the repair station uses. Does the certificated maintenance subcontractor currently have drug and alcohol programs?
- The names of each non-certificated maintenance subcontractor the repair station uses. Does the non-certificated maintenance subcontractor currently have drug and alcohol programs or is it covered under other programs? If not, how many employees does it have and what percentage of them are working on aviation-related work?

3) Based on the answers to your survey, you identify the following costs on page 15:

- The respondents "would incur over \$2.5 million in initial costs to cover those production workers that actually perform, or are available to perform, a subcontracted maintenance function.... With respect to recurring costs, the survey respondents stated that they would incur costs in excess of \$1.0 million annually to include those production workers that are not currently in a drug and alcohol testing pool."
- "In addition, the initial costs of ensuring that the drug and alcohol rules are being complied with by downstream Part 145 subcontractors was estimated at \$2.25 million." The recurring requirement costs that flow to certificated downstream providers was estimated at \$2.2 million.
- "An additional \$4.2 million represents the cost of ensuring that downstream non-certificated subcontractors are complying with Part 121, Appendix I and J." The recurring requirement costs that flow to non-certificated downstream providers was estimated at \$1.45 million.

The FAA would like to know the cost components that added up to these numbers. For instance:

- The number of production workers that actually perform, or are available to perform, a subcontracted maintenance function.
- The different personnel in each repair station who would be involved in ensuring that the drug and alcohol rules are being complied with by downstream Part 145 subcontractors for initial and recurring costs;

- The different personnel in each repair station who would be involved in ensuring that the drug and alcohol rules are being complied with by the non-certificated maintenance subcontractors for initial and recurring costs;
- The different personnel at each downstream non-certificated maintenance subcontractor who would be tested;
- The tasks that each of the above personnel would perform and the number of hours that each of the above personnel would need to spend on each set of tasks;
- The wage rates of these personnel; and
- Other costs, such as new equipment and training for such equipment.

In addition, the FAA would like any additional documentation that could be used to support this data.

The FAA intends to adjust its economic analysis for this rulemaking and consider possible adjustments to the proposed rule in response to your comments. However, in order to do this, the FAA needs you to answer the above questions and send them to us not later than 30 days after the date of this letter. Otherwise, the FAA will not be able to use some of the information that you provided in your comments to this proposed rule.

Sincerely,



Thomas C. Smith
Manager, Operations Regulatory Analysis Branch, APO-310