



# DEREGULATION OF GENERAL AVIATION THE CASE FOR ADOPTION OF THE UNITED STATES FIXED BASED OPERATOR SYSTEM

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## Aviation Maintenance Repair & Overhaul Business Association inc

### Special points of interest:

- Deregulation does not mean loss of safety
- Compliant with ICAO Standards
- Regulatory Reduction for Small Business
- Will create growth in General Aviation
- Will address the gap in skilled workforce

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### What is an 'Aviation' Fixed Based Operator?

"A **fixed based operator** (also known as **fixed base of operation**), or **FBO**, is a service centre at an aerodrome that has been approved by an aerodrome operator to provide a service to the community that the aerodrome serves. The term is North American, but it is becoming more common in Europe and the UK.

Besides FBOs that offer fuel, oil, and parking, along with access to washrooms and telephones, US FBOs may also offer aircraft services such as hangar (indoor) storage, aircraft charter or rental, ground services such as towing and baggage handling, flight training, and maintenance. FBO providing flight training and maintenance are not all FAA approved."

No FAA approval does not mean lower safety standards as US DoT requires FBOs to comply with their "**Minimum Standard Requirements for Airport Aeronautical Services.**"

### CASA CEO Directive 001/2007 supports GA deregulation/FBOs

AMROBA supports rules that gives effect to ICAO Standards & some ICAO [safety] Practices.

AMROBA fully supported CASA's CEO Byron when he produced this Directive. The Directive included the process that had to be followed to propose a rule. The problem is finding people with the 'ticker' to apply the strict directions given by Byron.

The Directive is very explicit

**Minimum standards** for flight instruction and maintenance FBOs [State registered business] that are not approved by the FAA.

**Flight instruction:** Trained and [FAA] certified instructor, classroom, telephone and restrooms, and aircraft available for instruction.

**How can CASA justify in a Regulatory Impact Statement why they won't consider this system? It works.**

**Deregulation of the non airline industry will improve safety by making individuals more responsible.**

**Airframe &/or power plant repair:** Sufficient hangar space, FAA certified mechanic (A&P mechanic) on duty, paved outside parking area for aircraft, and paved access to the runway-taxiway system (if connecting runway or taxiway is paved).

**Specialised Services Organisations.** Avionic workshops, sheet-metal/composite workshops, etc.

FAR Parts 43, 61 and 91 are the aviation regulations that enables this graduated approach to managing risk. This graduated risk approach to aviation safety enables small businesses to safely grow.

Basically the FARs, unlike EASRs, are part of a nation's legislative system and do not duplicate, unless to value add safety, other [business] US legislation as well as being:

- Principle based
- Manages risks
- Minimum standards
- Proven safety record.

By adopting the proven safe US system small business would be 'deregulated' from unnecessary aviation regulations.

Australia has 'business' legislation that enables adoption of the US FBO system. This allows 'independent' LAMEs/Flight Instructors to operate for or as a FBO ("registered" business) providing similar FBO services as is provided in the US.

and directs CASA rule development teams to justify every rule that they propose and each rule must be necessary and address safety issues.

In addition, Byron is quite clear in that rules should only address those risks "**that cannot be addressed adequately by non-regulatory means.**"

Adopt the US FBO system is one non [aviation] regulatory means whilst another means is

to harmonise with other Australian legislation that has been made to address safety issues; thus reducing aviation specific regulations — i.e. a whole-of-government approach.

Byron — "**each proposed regulation must be assessed against the contribution it will make to aviation safety.**"

Byron Directive has recognised that over regulation can have a negative affect on safety.



## The US Flight Training System

FAA risk based flight training system — provides a more flexible process.



**FARS have been written as part of the United States legislative system — EASA, unlike CASA, has no legislative system to fall back on.**

“Although flight schools fall into two basic categories, FAR Part 61 or Part 141, there is a third category that bears serious consideration by prospective pilots, particularly those planning a professional piloting career: nationally accredited pilot training institutions, must meet rigid standards of accountability for virtually every area of operation and must apply to an accrediting agency recognized by the U.S. Department of Education.”

Part 61 flight schools are normally operated by an FBO that employs an appropriately rated flight instructor. Part 141 schools provide a structured course that, in theory, reduces the Part 61 hours to obtain a certificate (licence). The Part 141 schools are subject to FAA oversight. An FBO may be a Part 61 and/or 141 flight training school.

Therefore, the prospective student pilot has a variety of ways to get into flying.

Basically, the FAA provides a safe and proven risk assessed approach to

pilot training. Initially, the FAA ‘licence’ flight instructors who may privately train students to fly under Part 61. Most ‘private’ flight instructors work for an FBO who provides facilities and aircraft. Some FBOs may be Part 141 approved and also offer Part 61 training where a student cannot attend a structured training course.

Adoption of the US system would enable registered aviation businesses (FBO) to train pilots up to CPL without an organisation CASA approval.

## The US Aircraft Maintenance System

Similar to flight instruction, the US does not create specific aviation legislation for aviation maintenance businesses unless they are contracted to the Part 121 airline industry. This is totally compliant with ICAO Annexes and the FAA only applies minimal regulations to address safety issues.

What the FARs, mainly Parts 43, 65 & 91, require is for “registered operators” to maintain their aircraft airworthy & to provide aircraft records.

The A&P/IA (LAME) is responsible for supervising and signing, in the aircraft records, completion of maintenance and inspections required to verify that aircraft continue to meet design standards; including signing annual inspections and maintenance releases.

There is no mention of requirements to be employed by a FAA approved maintenance organisation in the FARs because, unlike the EASRs, the FAA

applies a whole-of-government approach to rule development.

As mentioned elsewhere, the US DoT requires aerodrome owners to attract aviation businesses to their aerodrome; aviation businesses that are the same as registered Australian businesses. (ABN)

These businesses are known as FBOs or Specialised Aircraft Services (workshops) providing full maintenance capabilities to the non airline aircraft.

“because, unlike the EASRs, the FAA applies a whole-of-government approach to rule development.”

## What are Alternative Means

‘Alternative means’ to regulations can take many forms. Firstly, there is a need to ‘justify’ the need for an aviation legislation if one considers the current multitude of legislation affecting small business.

**Business faces extensive regulations.**

“A useful place to begin might be to briefly map the regulatory landscape.

In Australia today there are some 60 Common-

wealth departments and agencies involved in making and administering regulations. There are a further 40 Ministerial Councils and national standard setting bodies directly involved in regulatory issues. Each State and Territory Government has its own similar range of regulatory departments and agencies and the myriad of local councils have a major role in land planning, development, traffic and certain public health matters.”

AMROBA contends that a ‘whole-of-government’ approach to international obligations has to be adopted to reduce the regulatory burden on small business.

If such an approach is adopted then the US FBO system can apply to the non airline industry thus reducing aviation regulations. To be successful this needs a strong CASA Executive to implement a rule reduction policy.



Aviation regulations must add to other Federal and State laws to address a justifiable safety issue, not a belief.

## General Aviation Deregulation— Improve Safety

One of the greatest shams in aviation is that legislation is necessary to achieve safety. and badly constructed rules have a negative effect as current rules have had on GA for the last 15 years.

Australian aviation requirements were compliant with ICAO's standards prior to the Regulator being moved to Canberra, then dissected again & again until the Regulator is unsure of its role.

That loss of corporate memory and the continual changes to the regulator has affected good rule making. Basically, rules

are now developed on individual whims and currently do not comply with some ICAO standards.

For instance, there is no regulation for registered operators to maintain aircraft airworthy only to have a maintenance schedule. This is because the 1992 maintenance rules were based on incorrect evaluation & understanding of the FARs.

In addition, no attempt during the last 2 decades has been made to harmonise with the increasing Australian [business] laws that also address and duplicate many provisions

that are in current aviation legislation.

Adopt ICAO Annex 6, Parts 2 & 3 — same as FARs.

ICAO, like the US has proven, clearly establishes safety for non airline aircraft by placing responsibility with individuals instead of organisations.

When the past Minister's Program Advisory Panel (PAP) supported the move to adopt the FAA system it supported deregulation of the non airline system by adopting the US [ICAO compliant] system that places responsibility on individuals (e.g. pilots & LAMEs) not organisations.



The new kinds of aircraft that are the future of aviation. All aviation safety rules need to [value] add to current Australian business & workplace laws is aircraft, records, pilot & LAME responsibilities.

## Byron's Directive Supports Deregulation of GA

CEO Directive 001/2007 explicitly enforces Government's policy.

Byron states: "Where the standards and practices of the leading aviation countries vary, CASA will align its regulations with those that effectively address the safety risks in the most cost-effective manner." and

"If a regulation can be justified on safety risk grounds, it must be made in a form that provides for the most

efficient allocation of industry and CASA resources. The **regulations must not impose unnecessary costs or unnecessarily hinder high levels of participation in aviation and its capacity for growth.**"

To meet Byron's Directive, mapping of current regulatory impost on businesses would need to be carried out to ensure unnecessary costs were not being applied thus impacting on participation.

This Directive also meets Government policy to reduce the regulatory imposts on small business—in other words reduce regulations by not creating unnecessary aviation regulations.

This is easily achieved by adopting the US FARs that, unlike EASRs, are additional to other government legislation [similar to Australian legislation] and they are the most cost effective method for the non airline segment.

*"CASA will align its regulations with those that effectively address the safety risks in the most cost-effective manner."*

## Aerodromes — Life Line for Aviation

Road transport needs roads, marine transport needs docks/marinas/ramps and aviation transport need aerodromes, airstrips, landing places.

Aerodromes served by general aviation not only provide air transportation, but help attract new industries, which in turn provide needed employment opportunities.

With increased regulations, high liability costs

and other factors, rural aviation businesses and airports are struggling to survive.

Their closings have powerful impact on communities in terms of jobs, attracting or keeping businesses and industries, and access to services such as agricultural aerial application, air freight and air ambulance.

Many communities have declined once they lost their airfield whilst those

that have an airfield have continued to prosper.

Privatisation works as long as the Government does what the US DoT has done — issue guidance.

**"Model of Minimum Standards for Fixed Base Operators (FBO)"** has been prepared to assist owners of public use airports in developing standards for the providers of airport services such as maintenance & flight instruction businesses





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**AMROBA**  
**Safety All Around**



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**One of AMROBA's major goals is:**

*"Reducing government overheads — assist government, and CASA, in recognising and implementing processes that will reduce costs to the MRO industry. The reduction of government, and CASA costs will assist and encourage a safer internationally competitive Australian MRO industry."*

One of the Federal Government's policy is to reduce regulatory costs on small business by harmonising all key (includes aviation) regulations imposed on business

The Productivity Commission also provides good guidelines and reports that support AMROBA's goals.

It is time that CASA recognised that there are other laws in this country.

ICAO Annex standards, as applied in the US to the non airline segment, encourages participation and growth by only applying safety regulations relating to the aircraft and individuals such as pilots and LAMEs.

## Will New Government Save General Aviation



Mr. Anthony Albanese  
**Leader of the House  
Minister for:-**

- Infrastructure
- Transport
- Aviation/Maritime/Road
- Regional Development
- Local Government

The new government will review the previous government's changes to the Civil Aviation Safety Authority (CASA) governance structures. The government intends to appoint a small management Board with full delegation to manage CASA. The government has set itself the goal of the board being 'a competent, professional board with the respect of government, the community, business and the aviation industry'. Importantly, Labour proposes to separate the policy and regulatory reform function from that of compliance and enforcement, hope-

fully placing policy and regulatory reform with the Department so industry stakeholders can have a role.

Despite detailed Labour pledges made in relation to road spending, the policies in aviation await further detail before meaningful analysis of the changes can be undertaken, and it is presently hard to discern a clear shift in transport policy or a significantly increased government commitment to the area.

No doubt there will be more specific details as the Minister settles into his new role.

However, given other priorities of the new government and the broad portfolio of responsibilities given to the new Minister, it seems likely to be a case of 'steady as she goes'. Pity!

Mr Albanese is the Government's Leader of the House

Add Infrastructure and Local Government to DoTARS and aviation becomes a lesser entity within **DITRD&LG?**

What happened to Vaile's two committees looking at costs and regulatory reform?

**Decisions are needed now.**