

10/2017

# General Aviation Job Creation Government Choices



AMROBA inc

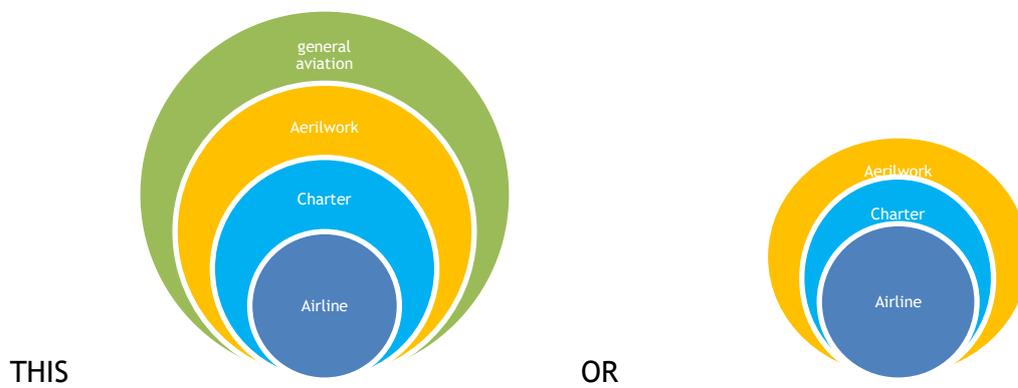
October 2017

# GENERAL AVIATION JOB CREATION

## SAVING & CREATING GENERAL AVIATION JOBS.

Ever since the Civil Aviation Authority was made in 1988, general aviation has been declining as regulatory systems and practices implemented by the Authority prior to 1988, which actually supported jobs, have been continually replaced by more regulation and red tape. Governments' pre 1988 were driving economic reform of the aviation system to reduce duplication and costs to make the industry more viable. General aviation sectors that were attracting new participants and providing a sound foundation have almost been regulated out of economic existence.

We now have an industry trying to economically compete in partially reformed systems leaving provisions from various regulatory systems that imposes unnecessary regulation and red tape when compared to successful regulatory systems that have comparable registered aircraft fleet and the rural geographic of Australia. Regulatory reform must also enable productivity improvements and employment as the USA Aviation Reform is achieving in the USA.



This scenario will be the result of the current regulatory reform system - less jobs.

Ask any general aviation participant that has had thirty years or more aviation experience what needs to be done and you will get the same answer from most. Put back what worked pre the creation of CASA and CAA. This answer is fully supported and, in many cases, the regulatory changes now needed not only would generate jobs but realign Australia's aviation requirements globally thus enabling more jobs to be created.

### HOW DO YOU CREATE JOBS FOR THE GENERAL AVIATION SECTORS IN PARTICULAR?

#### Recommendations:

1. *Readopt a policy of economic regulatory reform, adopting and harmonising with international standards, which provide safe and viable general aviation sectors.*
2. *Adopt Federal Aviation Regulations as the most cost effective regulatory system that provides world's best general aviation safety standards unless industry agrees that a provision from another regulatory system improves productivity and safety.*
3. *Adopt the outcome of the current FAA Regulatory Reform that is evaluating existing regulations and making recommendations to repeal, replace, or modify, consistent with applicable law. "At a minimum, each FAA Regulatory Reform Task Force shall attempt to identify regulations that:  
(i) eliminate jobs, or inhibit job creation;  
(ii) are outdated, unnecessary, or ineffective;  
(iii) impose costs that exceed benefits;  
(iv) create a serious inconsistency or otherwise interfere with regulatory reform initiatives and policies; etc."*

## AMPLIFICATION OF RECOMMENDATIONS.

To remove debate over what is General Aviation the following is taken from a proposed Classification of Activities published by ICAO and aligns closely with DIRD’s statement of what is GA. Virtually, all other activities outside “Air Transport”.

### GENERAL.

General aviation has been defined by the Department of Infrastructure & Regional Development as just about every other type of operation and activity that is not airline operations classified under air transport.

For the purpose of this paper, this definition is used to identify what needs to be done to remove the barriers to what should be a job creating industry.

To enable jobs to be created will require political support and direction to implement economic regulatory reform that will provide for a safe and viable industry.

Past governments started an economic reform process that requires safety and enables higher participation.

In 2002, after 4 years of consultation, a complete reform plan was submitted by CASA to the Minister based basically on adoption of the USA FAR system unless ICAO standard or other international regulatory systems included world’s best practice.

The whole purpose was to reduce regulatory impost without any reduction in safety.

The USA FARs are, wherever possible, performance based requirements that improve safety and productivity.

<b>ICAO Activities Proposal</b>	
<b>GA Operational Activities</b>	<b>Other Activities</b>
<p><b>Operations</b></p> <ul style="list-style-type: none"> <li>• <b>Aerialwork</b> <ul style="list-style-type: none"> <li>○ Agriculture</li> <li>○ Construction</li> <li>○ Photography</li> <li>○ Surveying</li> <li>○ Observation and Patrol</li> <li>○ Search and Rescue</li> <li>○ Aerial Advertising</li> <li>○ Other Aerialwork</li> </ul> </li> <li>• <b>Non-commercial business aviation</b></li> <li>• <b>Pleasure Flying</b></li> <li>• <b>Instructional Flying</b></li> <li>• <b>Other Flying</b></li> </ul>	<p><b>Engineering</b></p> <ul style="list-style-type: none"> <li>• <b>Design Organisations</b></li> <li>• <b>Maintenance/Continuing Airworthiness</b></li> <li>• <b>Manufacturing Aircraft/parts</b></li> <li>• <b>Technical Training</b></li> </ul>

## **RECOMMENDATIONS**

Three (3) recommendations that would implement changes which would enhance safety and provide a platform for job creation. The recommendations are based on past regulatory initiatives and the most recent reforms being carried out in the USA to the Federal Aviation Regulations to create jobs and remove unnecessary regulations and red tape.

1. Adopting economic regulatory reform that will create jobs, improve safety and reduce government involvement by providing appropriate, clear and concise regulations and aviation safety standards that meet international standards has to be the aim of any reform.

**1. READOPT A POLICY OF ECONOMIC REGULATORY REFORM, ADOPTING AND HARMONISING WITH INTERNATIONAL STANDARDS, WHICH PROVIDE SAFE AND VIABLE GENERAL AVIATION SECTORS.**

## GENERAL AVIATION JOB CREATION

The most cost effective general aviation system is, without doubt, the USA system that produces a general aviation safety level second to none. The only other system that has some cost effective general aviation provisions is the Canadian general aviation system that could be considered. Adopting the USA general aviation system must also include adopting their Fixed Based Operator (FBO) and Specialised Aviation Service Operations (SASO) system.

The USA regulatory system is based on performance based regulations, wherever possible, that provide clarity, clear responsibilities of individuals and organisations that are all currently under further regulatory reform review to reduce costs to the industry. The USA FBO/SASO general aviation system is specified in FAA Advisory Circular.

- Reference: FAA AC 150/5190-7, *Minimum Standards for Commercial Aeronautical Activities*.

Instead of the “airport operator” in the above AC ensuring the business meets the minimum standards in the AC, CASA could promulgate the minimum standards that a registered business, which is not CASA approved as an operator/organisation, has to meet to perform the operational/maintenance services stated in the above FAA AC.

Basically, the USA FBO/SASO system enables registered businesses, with & without FAA approval, to perform services such as “*aero clubs, flight training, aircraft airframe and powerplant repair/maintenance, aircraft charter, air taxi or air ambulance, aircraft sales, avionics, instruments and propeller services, or other specialised commercial flight support businesses*”.

The AC requires businesses listed above that do not hold FAA approval to employ an appropriately licenced & rated FAA approved person who must comply with applicable FARs.

- For example, an aero club could provide flight training in club aircraft by using FAR Part 61 independent ground and flight instructors who provide training to the FAA specified syllabi; or
- In Australia, a registered business could provide maintenance services by employing an appropriately licenced and rated aircraft maintenance engineer complying with, when adopted, FAR Parts 21, 43 & 91 airworthiness and maintenance requirements.
- FAR Part 121, operational regulations for airlines, excludes the use of some FBO/SASO provided services.

The regulatory responsibility within a FBO/SASO, not approved by the FAA, rests with the licenced/rated individual performing their responsibilities iaw the FARs, and operators and organisations must comply with all other regulations applicable to registered businesses.

This clearly specified individual responsibilities are detailed in the FARs, consistent with ICAO standards & recommended practices. Some activities were in past, Australian regulatory requirements, but have been slowly restricted and/or eliminated during regulatory development. Regulatory development has been removing or restricting the multiple pathways into general aviation thus adding costs.

Previous “Regulatory Reforms”, replaced by current “Regulatory Development”, have been stifled because, in the opinion of many general aviation participants, those developing regulations have been captured by various self interest groups resulting in non-international standards being applied. Regulating in the public interest is hard if the consultation is only with specific sectors of the aviation industry.

*Regulatory capture is a term used to refer to situations in which a government regulatory agency created to act in the public interest instead acts in favour of the commercial or special interests that dominate in the industry or sector it is charged with regulating.*

Economic reform must improve the industry’s productivity and competitiveness by reducing unnecessary regulatory burden and subjecting any proposed regulation to stringent tests on its necessity, design and impact on competitiveness.

## GENERAL AVIATION JOB CREATION

### 2. Adopting the USA/FAA system for general aviation.

In 2002, after 4 years of consultation, a complete reform plan was submitted by CASA to the Minister based principally on adoption of the USA FAR system unless ICAO standard or other international regulatory system included world's best practices and were more appropriate.

**2. ADOPT FEDERAL AVIATION REGULATIONS AS THE MOST COST EFFECTIVE REGULATORY SYSTEM THAT PROVIDES WORLD'S BEST GENERAL AVIATION SAFETY STANDARDS UNLESS INDUSTRY AGREES THAT A PROVISION FROM ANOTHER REGULATORY SYSTEM IMPROVES PRODUCTIVITY AND SAFETY.**

General Aviation constituents were totally ignored when CASA, without consultation with the general aviation sectors, decided to adopt the EASA system. It is now time to direct regulatory reform, not development, based on adopting the best general aviation system - the FARs.

EASA regulations do not have regulations addressing a great proportion of general aviation activities in Australia because it is a regulatory system that is maturing and continually changing.

- Australia has a proven track record of not being able to remain harmonised with adopted regulations and even ICAO standards.

To adopt the FAR system for general aviation would mean deregulation of sectors of general aviation and replacing it with a system that has a proven safety record. The FBO/SASO system does not require organisational approval but would rely on CASA licenced/rated personnel who take full responsibility.

To enable the benefits of the USA FBO/SASO system to be applied to general aviation requires the adoption of the FAR regulatory system with minimum changes, unless a regulatory provision from another regulatory system be supported by industry. This will ensure the most cost effective viable system with a safety system second to none being implemented in Australia.

The USA system meets the requirement of the Civil Aviation Act to have appropriate, clear and concise aviation safety standards that would create jobs in general aviation.

### **BENEFITS**

The benefits include harmonisation with US aircraft manufacturers' airworthiness, maintenance and operational documents that currently meet the requirements of the FARs.

- When FAR Parts 21-39 were adopted back in 1998, it was intended the other two segments relating to airworthiness would be subsequently adopted. FAR airworthiness requirements are in FAR Part 21 (adopted), FAR Part 43 (not yet adopted) and FAR Part 91 (not yet adopted). Adoption will correct this issue and improve safety.
- An example of adopting another regulatory provision is to fully adopt EASA CS Part 21, Subpart J, design organisations that is compatible to FAR Part 183, design organisation provisions. CASA partially adopted EASA CS Part 21, Subpart J that is not harmonised.
  - Adoption will harmonise design organisations with both EASA & FAA.
  - Another important benefit is the ability for the FAR Part 61 independent flight and ground instructors to provide another pathway to flying. The costs to learn to fly using this pathway is considerably less than being restricted to CASA approved Part 141 training organisations.
    - This method provides the same pathway for VH aircraft as can be provided currently under, for example, Recreational Aviation, Australia.

## GENERAL AVIATION JOB CREATION

- SASO maintenance organisations would be able to operate on aerodromes, without a CASA approval under CASR Part 145, as long as they were not servicing Part 121 Air Transport operations or engine & propeller overhaul.
  - A SASO may even provide maintenance services to FAR Part 135, Air Taxi operations.
  - Requires adoption and harmonisation with numerous FAR Parts, especially Parts 43, 91, 135 and maintenance personnel responsibilities.
  - A Part 145 organisation can contract SASO services.
- Adoption of the FAR system, including the FBO/SASO system, will provide a cost effective model and pathway to enable economic survival of aero clubs, flight training, aircraft airframe and powerplant repair/maintenance, aircraft charter, air taxi or air ambulance, aircraft sales, avionics, instruments and propeller services, or other specialised commercial flight support businesses.

To enable the benefits of adopting the USA system to be attained, CASA would need to import FAA instructors to explain how the system actually is intended to be implemented.

Past regulation adoptions has seen implementation procedures being created by CASA that puts back in place regulatory imposts and red tape that totally changes the intent of the adopted regulatory provision or international standard. This must stop so jobs can be created.

### 3. Obtaining the benefits of the current FAA Regulatory Reform Task Force

Under the direction of the US President, all government departments have been directed to evaluate existing regulations and their effect on job creation, outdated, unnecessary, ineffective, impose costs that exceed benefits, or create serious inconsistency or interfere with regulatory reform initiatives.

In other words, there is real possibility that the intent of the current Australian Red Tape Reduction Program, if it had such a political direction, would actually succeed.

Having seen Boeing's submission for changes to design regulations and FAR Part 21, the industry in the USA has taken the matter seriously and made significant recommendations for repeal of many regulatory provisions.

These changes will come about during the near future and any reform being carried out must also adopt those changes that will further create jobs in aviation.

The whole purpose of the FAA Regulatory Reform is enable the industry to create jobs.

**3. Adopt the outcome of the current FAA Regulatory Reform that is evaluating existing regulations and making recommendations to repeal, replace, or modify, consistent with applicable law. "At a minimum, each FAA Regulatory Reform Task Force shall attempt to identify regulations that:**

- (I) eliminate jobs, or inhibit job creation;**
- (II) are outdated, unnecessary, or ineffective;**
- (III) impose costs that exceed benefits;**
- (IV) create a serious inconsistency or otherwise interfere with regulatory reform initiatives and policies; etc."**

These regulatory reform provisions are not something that the FAA, let alone CASA, would adopt. In the USA, it has been forced on every government department and agency to enable the US industry to employ more people and grow the economy.

This needs to be part of the government direction to CASA.

## **BACKGROUND.**

### **USA PRESIDENT’S DIRECTIVE EXCERPT**

- “d) Each Regulatory Reform Task Force shall evaluate existing regulations (as defined in section 4 of Executive Order 13771) and make recommendations to the agency head regarding their repeal, replacement, or modification, consistent with applicable law. At a minimum, each Regulatory Reform Task Force shall attempt to identify regulations that:
- (i) eliminate jobs, or inhibit job creation;
  - (ii) are outdated, unnecessary, or ineffective;
  - (iii) impose costs that exceed benefits;
  - (iv) create a serious inconsistency or otherwise interfere with regulatory reform initiatives and policies;

### **FAA TASK FORCE CRITERIA**

1. Evaluate the FAA’s regulations in Title 14 of the Code of Federal Regulations to determine any and all regulations that should be repealed, replaced or modified. This evaluation will attempt to identify regulations that:
  - a. Eliminate jobs, or inhibit job creation;
  - b. Are outdated, unnecessary, or ineffective;
  - c. Impose costs that exceed benefits; or
  - d. Create a serious inconsistency or otherwise interfere with regulatory reform initiatives and policies.

For purposes of this evaluation, a regulation means any regulatory provision and could include a regulatory section (e.g., § 121.xxx), paragraph (e.g., § 121.xxx(y)), or subparagraph (e.g., § 121.xxx(y)(z)).”