

Advocacy Recommends That FAA Re-Assess the Economic Impact of its Proposed “Parts” Rule; Consider Alternatives

On March 30, 2007, the U.S. Small Business Administration’s (SBA) Office of Advocacy (Advocacy) submitted comments on the Initial Regulatory Flexibility Analysis (IRFA) for the Federal Aviation Administration’s (FAA’s) *Proposed Production and Airworthiness Approvals, Parts Marking, and Miscellaneous Proposals Rule* [72 Fed. Reg. 6968 (February 14, 2007)]. The IRFA assesses the impact of the proposed rule on small businesses and considers less burdensome alternatives that still achieve the agency’s objectives. The IRFA is designed to allow interested parties the opportunity to evaluate the proposed regulation and compare the impacts of various alternatives on entities of differing sizes and types.

FAA has determined that its proposed “parts” rule would have a significant economic impact on a substantial number of small businesses, including small aviation parts manufacturers. In addition, the rule could also affect numerous repair and maintenance facilities, depending on how it is interpreted.

A complete copy of Advocacy’s letter to FAA is available at: www.sba.gov/advo/laws/comments/.

- Advocacy is concerned that FAA has understated the cost and impact of the proposed rule on small aviation parts manufacturers, particularly with respect to the parts marking and quality system requirements, and the requirement to “tag” for all parts for domestic shipment. These requirements could be particularly onerous to small manufacturers. Advocacy recommended that FAA re-assess the cost and necessity of these provisions, and consider additional alternatives that would make them less burdensome.
- Advocacy has also requested that FAA clarify how the proposed rule would impact small aviation repair and maintenance facilities, particularly with respect to their use of fabricated and commercial parts. While the proposed rule is not specifically aimed at repair and maintenance facilities, the rule could have unintended impacts that would change the way these facilities operate. Advocacy has recommended that FAA clarify the proposed rule and explain how it would (or would not) affect repair and maintenance facilities.

For more information about rule, please visit Advocacy’s Web page at www.sba.gov/advo or contact Bruce Lundegren, Assistant Chief Counsel, at (202) 205-6144 (or bruce.lundegren@sba.gov).