

DEPARTMENT OF TRANSPORTATION**Federal Aviation Administration****14 CFR Parts 91, 121, 135, and 145**

**[Docket No. FAA-1999-5836;
Amendment Nos. 91-269, 121-286,
135-82, 145-27, and SFAR 36-7]**

RIN 2120-AC38

Repair Stations

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule with request for comments and direct final rule with request for comments.

SUMMARY: This rule updates and revises the regulations for repair stations. This action is necessary because many of the current repair station regulations do not reflect changes in repair station business practices and aircraft maintenance practices. The rule reorganizes the requirements applicable to repair stations to reduce duplication of regulatory language and eliminate obsolete information. In addition, the rule establishes new definitions applicable to repair stations and updates requirements relating to repair station certification; housing, facilities, equipment, materials, and data; personnel; and operations. The rule also eliminates, where practicable, distinctions between repair stations based on geographical location. This final rule does not adopt the proposed revised repair station ratings and quality assurance system; these proposals will be addressed in a subsequent rulemaking action. Finally this direct final rule removes the appendix to the repair station regulations that sets forth the job functions and equipment requirements for repair stations.

DATES: This rule is effective April 6, 2003, with the following exceptions: § 145.163 which is effective April 6, 2005, and the removal of Appendix A to part 145 which is effective April 6, 2003, unless adverse comments are received by October 5, 2001. Comments on the information collection requirements must be submitted on or before October 5, 2001.

ADDRESSES: Address your comments to the Docket Management System, U.S. Department of Transportation, Room Plaza 401, 400 Seventh Street, SW., Washington, DC 20590-0001. You must identify the docket number FAA-1999-5836 at the beginning of your comments, and you should submit two copies of your comments. If you wish to receive confirmation that the FAA

received your comments, include a self-addressed, stamped postcard.

You may also submit comments through the Internet to <http://dms.dot.gov>. You may review the public docket containing comments to these proposed regulations in person in the Dockets Office between 9:00 a.m. and 5:00 p.m., Monday through Friday, except Federal holidays. The Dockets Office is on the plaza level of the NASSIF Building at the Department of Transportation at the above address. Also, you may review public dockets on the Internet at <http://dms.dot.gov>.

FOR FURTHER INFORMATION CONTACT: Diana L. Frohn, Aircraft Maintenance Division, Air Carrier Maintenance Branch, AFS-330, Federal Aviation Administration, 800 Independence Avenue SW., Washington, DC 20591; telephone (202) 493-4941; facsimile (202) 267-5115.

SUPPLEMENTARY INFORMATION: The Direct Final Rule Procedure

The FAA anticipates that the removal of appendix A to part 145 will not result in adverse or negative comments; therefore the FAA is removing appendix A as a direct final rule. Comments received in response to Notice of Proposed Rulemaking No. 99-09 generally opposed appendix A. Many commenters noted that the appendix is outdated. Commenters questioned the FAA's ability to keep any such listing current. Unless a written adverse or negative comment, or a written notice of intent to submit an adverse or negative comment is received within the comment period, the removal of appendix A will become effective on the date specified above. After the close of the comment period, the FAA will publish a document in the **Federal Register** indicating that no adverse or negative comments were received and confirming the date on which the direct final rule will become effective. If the FAA does receive, within the comment period, an adverse or negative comment, or written notice of intent to submit such a comment, a document withdrawing the removal of appendix A will be published in the **Federal Register**, and a notice of proposed rulemaking may be published with a new comment period.

Comments Invited

An opportunity for comment on the information collection requirements of this rule was not provided during the notice of proposed rulemaking stage. Therefore, a 60-day comment period is attached to this final rule.

Also, we have removed appendix A from part 145. Because we did not

propose to remove appendix A, we seek comments on its removal. Generally, the final rule accomplishes the purpose of appendix A without restricting a repair station's ability to adapt future technologies. The reasons for removing appendix A are explained in greater detail in the section-by-section discussion of requirements withdrawn from the proposal.

Interested persons are invited to submit written data, views, or arguments regarding the information collection requirements and the removal of appendix A as they may desire. Substantive comments should be accompanied by cost estimates. Comments must identify the regulatory docket or notice number and be submitted in duplicate to the DOT Rules Docket address specified above.

All comments received, as well as a report summarizing each substantive public contact with FAA personnel concerning this rulemaking, will be filed in the docket. The docket is available for public inspection before and after the comment closing date.

All comments received on or before the closing date will be considered by the FAA before the effective date of the direct final rule. Comments filed late will be considered as far as possible without incurring expense or delay.

Commenters wishing the FAA to acknowledge receipt of their comments submitted in response to this document must include a pre-addressed, stamped postcard with those comments on which the following statement is made: "Comments to Docket No. FAA-1999-5836." The postcard will be date stamped and mailed to the commenter.

Availability of Rulemaking Documents

You can get an electronic copy using the Internet by taking the following steps:

(1) Go to the search function of the Department of Transportation's electronic Docket Management System (DMS) web page (<http://dms.dot.gov/search>).

(2) On the search page type in the last four digits of the Docket number shown at the beginning of this document. Click on "search."

(3) On the next page, which contains the Docket summary information for the Docket you selected, click on the document number for the item you wish to view.

You can also get an electronic copy using the Internet through FAA's web page at <http://www.faa.gov/avr/arm/nprm/nprm.htm> or the Federal Register's web page at http://www.access.gpo.gov/su_docs/aces/aces140.html.

You can also get a copy by submitting a request to the Federal Aviation Administration, Office of Rulemaking, ARM-1, 800 Independence Avenue SW., Washington, DC 20591, or by calling (202) 267-9680. Make sure to identify the amendment number or docket number of this rulemaking.

Small Business Regulatory Enforcement Fairness Act

The Small Business Regulatory Enforcement Fairness Act (SBREFA) of 1996 requires the FAA to comply with small entity requests for information or advice about compliance with statutes and regulations within its jurisdiction. Therefore, any small entity that has a question regarding this document may contact its local FAA official, or the person listed under **FOR FURTHER INFORMATION CONTACT**. You can find out more about SBREFA on the Internet at our site, <http://www.gov/avr/arm/sbreffa.htm>. For more information on SBREFA, e-mail us at 9-AWA-SBREFA@faa.gov.

Background

Very few substantive changes have been made to the regulations applicable to repair stations since they were recodified in Title 14, Code of Federal Regulations (14 CFR) (27 FR 6662, July 13, 1962). Portions of 14 CFR part 145 are no longer appropriate or have become increasingly difficult to administer. Other portions of the rule no longer make a significant contribution to aviation safety or do not warrant the associated administrative costs. In addition, the FAA has granted exemptions and created other special administrative procedures to handle situations not provided for adequately in the regulations. To ensure the regulations are appropriate for today's repair station industry, the FAA determined that part 145 should be revised.

In 1975, the FAA and industry participants in the FAA's First Biennial Operations Review recommended that specific and substantial requirements of part 145 be revised. Although minor amendments to part 145 were subsequently adopted, no major revision was made. However, a significant amendment to part 145 was adopted on November 22, 1988 (Amendment No. 145-21, 53 FR 47362), that expanded the scope of work foreign repair stations (that is, those U.S.-certificated repair stations located outside the United States) are authorized to perform. The amendment also permitted certain repair stations to contract maintenance functions to noncertificated

organizations/facilities under specific conditions.

As part of a regulatory review of 14 CFR part 43; 14 CFR part 65, subpart E; and part 145, the FAA held four public meetings in 1989 (54 FR 30866; July 24, 1989). The meetings were held in Washington, D.C.; Fort Lauderdale, Florida; Dallas, Texas; and San Francisco, California. These meetings provided a forum for the public to offer comments concerning the possible revision of the rules governing repair stations. More than 500 representatives of repair stations, airlines, unions, manufacturers, foreign governments, and industry organizations, and individuals attended the meetings. The goal of the meetings was to gather enough factual information from the public to determine whether the repair station regulations should be revised and, if so, to determine what revisions should be made.

During the review of the repair station rules, the FAA examined various documents and related rulemaking actions. These documents included FAA Order 8300.10, *Airworthiness Inspector's Handbook*; advisory circulars (ACs) that relate to repair stations, such as AC No. 145-3, *Guide for Developing and Evaluating Repair Station Inspection Procedures Manuals*, and AC No. 145-5, *Repair Station Internal Evaluation Programs*; and previous petitions for exemption from part 145. The FAA also reviewed Joint Aviation Requirement (JAR) 145: *Approved Maintenance Organizations*, established by the Joint Aviation Authorities (JAA), an organization of European civil aviation authorities. As a result of the above action, the FAA published Notice of Proposed Rulemaking No. 99-09, "Part 145 Review: Repair Stations" (64 FR 33142, June 21, 1999).

The FAA extended the close of the comment period on Notice No. 99-09 from October 19, 1999, to December 3, 1999, in response to commenters' requests. The FAA received approximately 530 comments in response to Notice No. 99-09. Associations representing repair stations and other aviation-related entities, unions, aviation authorities, air carriers, manufacturers, members of Congress, the National Transportation Safety Board (NTSB), and individual repair stations provided comments on the proposal.

The Final Rule

The FAA appreciates the comments received in response to its proposal. Many revisions to the proposal are based in part on language provided by

commenters. The revisions clarify the intent of the rule, provide more regulatory flexibility in carrying out the requirements, and in some cases lessen regulatory burdens without compromising safety.

This final rule reorganizes and clarifies certain subparts and sections of part 145. We have arranged the subparts by subject rather than geographic location of the repair station. We also have eliminated limited ratings for manufacturer's maintenance facilities and removed the corresponding subpart.

In addition, we have revised the housing and equipment requirements. Part 145 no longer requires a repair station with an airframe rating to provide permanent housing that encloses at least one of the heaviest aircraft within the weight class for which it is rated. Instead, a repair station is only required to provide permanent housing that encloses the largest type and model of aircraft listed on its operations specifications. The final rule also includes provisions for exchanging equipment among satellite repair stations and for leasing equipment.

The final rule requires repair stations to develop a repair station manual that prescribes its operational procedures. The rule also requires repair stations to develop a quality control manual that is similar to the currently required inspection procedures manual.

Although we proposed a new rating and class system, we have retained the current rating and class system in the final rule. Also, the final rule does not include a quality assurance program. We intend to seek advice and recommendations from the affected aviation community before promulgating rulemaking on these issues.

Finally, the final rule provides for satellite repair stations, expands the scope of contract maintenance, and requires repair stations to develop a training program.

Because the Administrator of the FAA has delegated various responsibilities to offices within the Agency, we have determined it is appropriate to replace references to the "Administrator" with the "FAA." Further, in an effort to recognize the use of electronic means to store and send information we have removed references to paper copies.

This final rule will become effective 20 months after it is published in the **Federal Register**. This time period is needed to develop ACs and internal FAA guidance, and to train FAA personnel. Additionally, repair stations will need adequate time to comply with the new requirements. The training

requirements (§ 145.163), become effective 24 months after the effective date of the final rule. Certificated repair stations will need this additional time to develop and submit a training program to the FAA for approval. Specific details regarding the deadlines for submitting a training program for FAA approval are discussed later.

Section-by-Section Discussion of Requirements Withdrawn From the Notice of Proposed Rulemaking

Based on comments received, we are withdrawing some of the sections proposed in the NPRM. Specifically, we are withdrawing advertising (proposed § 145.9), deviation authority (proposed § 145.11), ratings and classes (proposed § 145.59), transition to new system of ratings (proposed § 145.61), quality assurance (proposed § 145.201(a)(1)), and job functions (proposed appendix A to part 145). Below is a section by section discussion of these withdrawn requirements.

Proposed § 145.9 Advertising

Proposed paragraph (a) would have prohibited a repair station from advertising as a certificated repair station until the issuance of a certificate. Proposed paragraph (b) would have prohibited a repair station from making any statement about itself, either orally or in writing, that was false or designed to mislead any person. Finally, proposed paragraph (c) would have required any advertisement to include the repair station's certificate number.

One association requested that the FAA discuss what constitutes advertising for purposes of the proposal. Several commenters recommended deleting proposed paragraphs (a) and (b) because Federal and State laws adequately protect the public from false and misleading advertising. The commenters generally recommended revising proposed paragraph (b) because any statement by any individual could be misinterpreted and construed to be a violation under the proposed language. One commenter suggested revising proposed paragraph (b) to prohibit a repair station from misleading individuals with respect to ratings, limitations, privileges, and other matters regulated by part 145. Several commenters, including one association, supported requiring a repair station to include its certificate number in advertisements. Another commenter stated that including a certificate number in advertisements does not increase safety. That commenter noted that other certificate holders, such as air carriers and pilot training schools, are

not required to include certificate numbers in advertisements.

In light of the comments regarding Federal and State laws on false and misleading advertising, the FAA has withdrawn proposed § 145.9(a) and (b). In addition, the FAA finds that requiring a repair station to include its certificate number in any advertising is unnecessary and involves a repair station's business decisions in an area not related to ensuring safety or the airworthiness of articles. The FAA notes that the public has access to a repair station's certificate number under § 145.5(b), which requires the certificate and operations specifications to be available on the repair station's premises for inspection by the public. Therefore, the FAA has not included proposed § 145.9 in the final rule.

Proposed § 145.11 Deviation Authority

The proposal would have established procedures for repair stations to apply for deviation authority from the regulations similar to the procedures used by manufacturers and operators.

Many commenters supported deviation authority for repair stations as a means of providing regulatory flexibility. However, several commenters recommended adding provisions to make the application procedure for deviation authority public. In addition, commenters indicated that the deviation authority should be processed at the local level rather than at FAA Headquarters. Other commenters expressed concern over the discretion given to FAA inspectors to terminate or amend a letter of deviation authority, which the commenters contended could disrupt business. Some of the commenters who opposed the addition of deviation authority stated that it would replace the public process with a hidden process, benefit large certificated repair stations, and provide little or no benefit to small general aviation repair stations.

When proposed, the FAA envisioned that deviation would be sought from only a few sections, in particular the proposed quality assurance system and training program requirements. However, as previously noted, the FAA intends to propose requirements for quality assurance in a subsequent rulemaking action. In addition, the FAA will be issuing guidance on the training program requirements and will approve these programs on a case-by-case basis. In light of the commenters' concerns about granting deviation authority, relief from part 145 regulations will continue to be addressed through the 14 CFR part 11 exemption process. Exemptions are

public actions processed at FAA Headquarters.

Proposed § 145.59 Ratings and Classes

This proposed section would have significantly revised the current system of ratings and classes. The FAA specifically requested comments on the proposed regulations and asked whether the proposed system of ratings and classes should be addressed in a separate rulemaking.

Comments on the proposal were mixed. Some commenters found the new system confusing and complicated, and others stated that the proposal is more restrictive than the current system of ratings and classes. One association stated that the proposal merely adds to an outmoded class system and offered in its place an alternative ratings system. Other commenters criticized specific parts of the proposal, using as an example, the weights used to distinguish between aircraft class ratings. Some commenters believe that the number of powerplant class ratings would be confusing, and recommended instead associating powerplant and airframe class ratings.

Although many commenters believe a separate rulemaking action to revise the system of ratings is not necessary, the FAA finds that the comments and alternatives received have merit and should be considered further before a new system of rating and classes is adopted. Therefore, this final rule retains the current rating and class system. The comments will be considered during development of the subsequent notice of proposed rulemaking.

Proposed § 145.61 Transition to New System of Ratings

This section proposed procedures for transitioning to the proposed system of ratings and has not been included in this final rule.

Proposed § 145.201 Quality Assurance and Quality Control Systems

Proposed § 145.201(a)(1) would have required a repair station to establish a quality assurance system.

Commenters generally opposed the proposed quality assurance system requirements. One association stated that although its members support the concept of quality assurance, the FAA has not justified the burden of the requirement in terms of safety. Some commenters opposed the proposal because the FAA has not adequately described the specific requirements. Some of those commenters requested that advisory material be issued along with the proposal to allow the public

adequate opportunity to comment. Four unions expressed support for requiring repair stations to have a quality assurance system. Some commenters asserted that implementation of a quality assurance system would require them to incur significant costs.

The FAA agrees that the quality assurance program must have adequately defined requirements and that guidance material is necessary for implementation of an effective system. We also recognize that establishment of a quality assurance system may be particularly burdensome for small repair stations. The FAA will review the comments submitted on this issue and develop specific requirements for a quality assurance program in a subsequent notice of proposed rulemaking.

Proposed Appendix A to Part 145 Job Functions

Proposed appendix A set forth job functions and equipment requirements for repair stations.

Commenters are generally opposed to appendix A as proposed. Many commenters noted that the proposed appendix is already outdated. Still, others questioned the FAA's ability to keep any such listing current while other commenters offered specific revisions to the equipment requirements.

The FAA agrees with commenters who expressed concern about the difficulties in keeping appendix A current; therefore, the agency has decided to withdraw appendix A. For the same reason, the FAA has not included current appendix A in the final rule. Because the FAA did not propose to eliminate appendix A in Notice No 99-09, we seek comments on its removal. The final rule will accomplish the purpose of appendix A without restricting a repair station's ability to adapt future technologies.

The final rule revises the equipment requirements and the contracting out provisions to provide more flexibility for repair stations to accomplish maintenance, preventative maintenance, or alterations on articles for which they are rated. Revisions to the equipment section of the final rule will permit certificated repair stations to enter into contracts or other leasing agreements to obtain equipment needed in the maintenance of articles for which it is rated. Repair stations will no longer have to maintain a seldom used, expensive piece of equipment just to retain their current ratings. Repair stations and their contract maintenance providers will still be required to have the equipment when performing a

maintenance function. Likewise, the contracting out provisions have been revised to better reflect current industry practices in specialized areas. The combination of these actions effectively incorporates appendix A in its entirety.

Section-by-Section Discussion of the Final Rule

Below is a section-by-section discussion of the final rule. We have provided a brief description of the proposed rule, a summary of the comments received, and the FAA's disposition.

Part 145—Repair Stations

Subpart A—General

Section 145.1 Applicability

Summary of Proposal/Issue: The FAA proposed to revise current § 145.1 with respect to obtaining repair station certificates and the general rules under which certificated repair stations must operate. The FAA proposed to add the term "preventive maintenance" and proposed to replace the current reference to "airframes, powerplants, propellers, and appliances" with "any aircraft, airframe, aircraft engine, propeller, appliance, or component part thereof." The FAA proposed deleting paragraph (b), which delineated the term "domestic" and "foreign" in describing the location of a repair station. As discussed in Notice No. 99-09, the FAA removed, where appropriate, the distinctions between repair stations located inside the United States and those located outside the United States. In addition, the FAA proposed eliminating paragraph (c), which addressed the limited rating for manufacturers.

Comments: Most commenters supported the FAA's proposed revisions to § 145.1. However, several commenters recommended eliminating the phrase "component part thereof" because of the burden it would place on the applicant for a repair station certificate. One commenter recommended including the term "rebuilt" whenever the term "maintenance" is used.

With regard to the proposed elimination of the limited rating for manufacturers, three unions supported the proposal. Manufacturers opposed the elimination of the rating and questioned why a production approval holder may perform major repairs and major alterations, but under the proposal a separate rating would be required to perform basic maintenance. One manufacturer stated that the proposal fails to recognize the unique

relationship a manufacturer has to its products.

FAA Response: The FAA made editorial changes to this section in the final rule. The FAA revised this section to state that part 145 contains the rules a certificated repair station must follow with respect to the performance of maintenance, preventive maintenance, and alterations of an aircraft, airframe, aircraft, engine, propeller, appliance, and component part to which part 43 applies. The FAA notes that the revised language includes "component part" rather than "component part thereof;" the use of "component part" is consistent with the terminology used in part 43. In addition, the FAA finds that the term "maintenance," rather than the term "rebuilt," more accurately describes the work performed under this part and is consistent with industry use.

As proposed in Notice No. 99-09, the FAA is eliminating the limited rating for manufacturers. Because maintenance practices and aircraft technologies have evolved since the establishment of limited ratings for manufacturers, the FAA has determined that all repair facilities' systems for inspection, recordkeeping, and quality control should be consistent.

In response to comments from manufacturers, the FAA finds that there is not a significant difference between warranty work (repairs made by the manufacturer) and maintenance. The FAA also disagrees with the manufacturers' assertion that warranty work is an extension of the manufacturing process. Once an article completes the manufacturing process and receives its type certificate, any repair including warranty work must be accomplished per an approved maintenance program. The difference between the manufacturer's process and a repair station program is the requirement that the article is approved for return to service upon completion of maintenance.

Manufacturers use numerous methods, such as a maintenance/material review boards (MRB) under 14 CFR part 21, to correct manufacturing defects while articles are still in the manufacturing process. Repairs made to articles returned to the manufacturer for warranty work could constitute a change to the article's type design. Although these procedures are acceptable for manufacturers, they do not provide a means to return the item to service, for airworthiness release or to approve the alteration of a type design. A repair of this type may render the item unairworthy since the definition of "airworthy" is that it meets its type design and is safe for flight.

As noted in Notice No. 99-09, the FAA will give full consideration to the quality control system established by the manufacturer to comply with part 21. However, the manufacturer's repair station will have to operate in compliance with parts 43 and 145.

Section 145.3 Definition of Terms

Summary of Proposal/Issue: For purposes of part 145, the FAA proposed to define accountable manager, actual work documents, approve for return to service, approved data, article, certificate holding district office, certificated, composite, computer system, consortium, directly in charge, facility, housing, maintenance release, overhauled, and signature.

Comments: The commenters generally asserted that only terms exclusive to part 145 should be defined in part 145. Some of those commenters stated that those terms should also be added to 14 CFR part 1 to ensure they are used consistently throughout the regulations. Other commenters stated that any term not exclusive to part 145 should be defined only in part 1. However, some commenters asserted that all terms should be defined only in part 1. In addition, several commenters suggested adding definitions for the following terms: acceptable to the Administrator, airworthy, approved by the Administrator, authorized inspector, avionics, current as applied to technical information, inspection personnel, job functions, line maintenance, maintenance functions, product, quality assurance system, quality control system, satellite repair station, self evaluation, and supervisory personnel.

With regard to the definition of "accountable manager," the commenters generally are concerned that the accountable manager will be held personally liable for business decisions and stated that the definition conflicts with provisions in parts 121 and 135 that indicate the air carrier or commercial operator has the responsibility for the work performed for them by a repair station. The commenters recommended clarifying the definition to limit the personal liability of the accountable manager. Some commenters suggested the person in this position should be the point of contact with the FAA. Other commenters recommended changing "accountable manager" to "repair station manager."

Many commenters expressed concern with the definition of "actual work documents" and indicated it is easily confused with other terms and should be clarified. Some commenters asked whether the word "actual" refers to the

original work documents. Several commenters noted the word "detailed" is ambiguous and allows for individual interpretation, and indicated the word "signed" should be changed to permit other methods to be used, such as stamps, initials, and electronic signatures. Several commenters indicated the definition of "actual work documents" is a significant departure from current practices and could cause documentation to become extremely burdensome.

Many commenters opposed the definition of "approve for return to service" in § 145.3(c). Some of these commenters indicated that the definition is unnecessary and repeats or is inconsistent with existing regulatory requirements, particularly with regard to parts 43 and 65. The commenters proposed revisions to the definition and suggested moving it to part 43.

One manufacturer supported the proposed definition of "approved data" and six commenters recommended clarifications to that proposed definition. Two associations opposed the definition of "approved data" because it is not consistent with part 1 or SFAR 36.

Many commenters opposed the definition of "article" in § 145.3(e). Several commenters stated the definition conflicts with the use of "article" in SFAR 36 and as it relates to technical standard orders.

Commenters who opposed the definition of "certificate holding district office" (CHDO) stated the definition is subject to change whenever the FAA reorganizes and changes the names of its divisions and offices, and expressed concern over its application when multiple repair facilities are involved. Several commenters stated that the definition should state that the CHDO has responsibility for administering the certificate of the repair station.

Many commenters supported the definition of "certificated;" however, one commenter suggested clarifications. One association opposed the definition and indicated it is redundant and would be more appropriately included in part 1.

Commenters who opposed the definitions of "composite" and "computer system" suggested that neither definition is adequate and both should be revised and clarified. The commenters provided suggested revisions for each definition.

Most repair stations, manufacturers, and associations who commented on the definition of "consortium" opposed it. Several commenters expressed concern about the economic impact this could have on independent repair stations and

noted that it appears the FAA is providing an economic advantage to type certificate holders. The commenters also noted that it appears the FAA is creating a two-tiered system of repair stations.

The commenters generally opposed the definition of "directly in charge" and offered revisions for clarification. Several other commenters noted that § 145.3(k) paraphrases language from part 121, and one association stated that if the term is adopted in part 145, it should use the same language as that found in part 121. Other commenters noted there is confusion as to whether the term applies to the oversight of external contractors or only internal operations.

An association stated the definition of "facility" is confusing and contradictory, and should be excluded; however, the association provided an alternate definition if the Administrator can justify its inclusion in the rule. Some commenters recommended revising the reference to "land" to include public ramp space.

Commenters generally supported the definition of "housing" in proposed § 145.3(m)(1) but recommended revisions to the language in proposed § 145.3(m)(2). The commenters recommended revising the term "structures" to "method" and indicated the term "segregation" is subjective. Another commenter strongly opposed inclusion of the definition of housing in part 145, because it mixes the concepts of housing, equipment, and facility.

Commenters generally did not support the proposed definition of "maintenance release." Some commenters recommended replacing the term "repair station document" with "statement" to clarify that a maintenance release is not always a separate document and to ensure the requirements are consistent with part 43. One commenter noted that the proposed definition is contrary to parts 43, 121, and 135. Another commenter indicated that the maintenance release should apply to all persons authorized to perform maintenance, preventive maintenance, or alteration under 14 CFR and that the release provided in part 43 would be acceptable.

The commenters generally indicated that "overhauled" is already defined in part 43, and the definition should be moved to part 1.

Commenters supported the inclusion of a definition for "signature" but generally indicated it should be in part 1. One commenter commended the FAA for defining the term "signature" but stated that because the term has caused serious consternation in the industry,

the FAA should publish advisory material governing acceptable means of compliance.

FAA Response: Based on the comments received, the FAA has not included in the final rule definitions of the following: actual work documents, approve for return to service, approved data, certificate holding district office, certificated, composite, computer system, consortium, facility, housing, maintenance release, overhauled, and signature. However, the FAA has retained definitions for accountable manager, article, directly in charge, and line maintenance.

The FAA generally agrees that terms not unique to part 145, such as "approve for return to service," "approved data," "certificated," "maintenance release," and "overhauled," should not be defined in part 145. In addition, the term "computer system" is related to the proposed rating and class system, and no longer needs to be defined for the purposes of part 145. The term "composite" is not unique to part 145, and its common definition is adequate for the purposes of part 145. The concept of a consortium and references to actual work documents are not included in the final rule and therefore no longer require definition. Other terms, such as "facility" and "housing," are adequately described in the particular sections in part 145 that address those subjects and do not require further definition. Finally, the FAA has removed the definition of "signature" from the final rule. The FAA notes that it recently has adopted policies and procedures to implement the requirements of the Government Paperwork Elimination Act, 44 U.S.C. 3504, which defines "electronic signature" and requires Federal agencies to provide for the option of using electronic signatures when practicable.

The FAA disagrees with commenters who suggest that the term "accountable manager" should be removed from part 145. The FAA has determined that it is necessary for a repair station to have one individual who is responsible for ensuring repair station operations are conducted in accordance with part 145. However, the FAA has revised the definition of "accountable manager" to clarify that the person in this position is responsible for and has authority over only repair station operations conducted under part 145. It was not the FAA's intent to dictate who is responsible for repair station operations that are unrelated to part 145, such as accounting. It also was not the intent of the FAA to impose personal liability for repair station operations on the

accountable manager. The FAA notes that the term "accountable manager" is consistent with JAR terminology, and its use is consistent with the FAA's harmonization efforts. Finally, the FAA notes that the definition in this final rule states that the accountable manager will serve as the primary contact with the FAA as suggested by many commenters.

Although the term "article" is used throughout 14 CFR, the FAA has determined that it is important to define the term for the purposes of part 145 because it encompasses the items on which a repair station may perform maintenance. However, the FAA revised the definition so that the items listed are consistent with items on which maintenance, preventive maintenance, and alterations are performed under part 43.

The FAA disagrees with commenters who assert that the definition of "directly in charge" should not be placed in part 145 because it is used in part 121 and that inconsistencies could arise between the definitions. For the convenience of the user and because the definition specifically addresses the responsibilities under part 145, the FAA decided that the definition should be included in part 145. The FAA notes that the definition is consistent with the definition found in § 121.378. However, in response to concerns raised by the commenters, the FAA revised the definition of "directly in charge." The revised definition clarifies that the person is responsible for the work of a repair station that performs maintenance, preventive maintenance, and alterations, or other functions affecting aircraft airworthiness. With regard to the comment regarding work that is contracted to an outside source, the FAA notes that § 145.217(b)(2) specifically requires that a repair station remain directly in charge of the work performed by a noncertificated person.

In response to commenter requests, the FAA has added the definition of "line maintenance" to mean any unscheduled maintenance resulting from (1) scheduled checks that contain servicing and/or inspections that do not require specialized training, equipment, or facilities, or (2) unforeseen events. The definition is necessary to clarify the work that may be performed under § 145.205(d). The performance of line maintenance is further discussed in the analysis of § 145.205(d).

Section 145.5 Certificate and Operations Specifications Requirements

Summary of Proposal/Issue: Proposed § 145.5(a) would have prohibited any person from operating as a certificated

repair station without a repair station certificate or operations specifications. Proposed paragraph (b) stated that a repair station could perform work only on articles for which it is rated and within the limitations of its operations specifications. In paragraph (c), the FAA proposed to revise the current requirement in § 145.19 that a repair station display its repair station certificate at a place normally accessible to the public. The FAA proposed that the certificate be available for inspection by the public and the Administrator. Proposed paragraph (d) would have specified the contents of a repair station's operations specifications.

Comments: Commenters generally opposed the language in proposed paragraph (b) because they felt it might restrict a repair station from performing work not directly related to aviation maintenance. In addition, an association stated that the proposed paragraph repeats the requirements in proposed § 145.215, now § 145.201. With regard to proposed paragraph (c), commenters generally supported not requiring display of a repair station certificate. However, some commenters suggested modifying the proposal by permitting only "parties of interest" or persons having a "business need" and the Administrator to inspect the certificate, rather than the "public." One commenter who opposed the proposal asked why a certificate is issued if a repair station is not required to display it. That commenter also stated it would be more appropriate to require display of the operations specifications.

FAA Response: This final rule contains paragraph (a) as proposed with a revision stating that a repair station also cannot operate without, or in violation of, its ratings. This revision is for clarity and does not place any additional burden on a repair station, because ratings are an integral part of a repair station's certificate. The FAA agrees that proposed paragraph (b) is similar to proposed § 145.215(a)(1), now § 145.201(a)(1) and, therefore, has not included proposed paragraph (b) in § 145.5. However, the FAA notes that proposed § 145.215(a)(1), now § 145.201(a)(1), did not contain "and within the limitations placed in its operations specifications," which was included in proposed § 145.5(b). Therefore, that phrase has been added to § 145.201(a)(1). With regard to proposed paragraph (c), the FAA disagrees that only "parties of interest" or persons with a "business need" should be allowed to inspect the certificate. The FAA finds that it is unlikely that a member of the general public will ask to inspect a repair station certificate unless

the person has, at least potentially, business with the repair station. In addition, determining who is a party of interest or whether a particular person has a business need would be subjective and difficult to enforce. Further, the FAA notes that the proposal relaxed the current requirement to always display the repair station certificate. Therefore, the FAA has adopted the proposal with the clarification that the certificate be available for inspection by the "FAA," not the "Administrator," and that the repair station operations specifications also be made available. The FAA notes that operations specifications are an integral part of the repair station certificate. Finally, the FAA has deleted proposed paragraph (d), which would have set forth the contents of the operations specifications. The proposed paragraph was not regulatory in nature and only identified what the FAA may include in repair station operations specifications.

Subpart B—Certification

Section 145.51 Application for Certificate

Summary of Proposal/Issue: The FAA based this proposed section on current §§ 145.11, 145.13, and 145.71. The proposal would have revised the list of items an applicant is required to submit to the FAA with the application. In paragraph (a), the FAA proposed that an applicant submit (1) a copy of the repair station manual to the Administrator for approval; (2) a list by type, make, or model, as appropriate, of the aircraft, airframe, aircraft engine, propeller, appliance, component, or part thereof, for which an application is made; (3) a statement signed by the accountable manager that the procedures described in the repair station manual are in place and meet the requirements of the applicable regulations; (4) an organizational chart with names and titles of management and supervisory personnel; (5) a description of the applicant's facilities, including the physical address; and (6) a list of maintenance functions to be contracted out.

Proposed paragraph (b) would have required that the equipment, personnel, technical data, and housing and facilities required for the certificate and rating be in place at the time of certification by the Administrator.

In proposed § 145.51(c), the FAA expanded the scope of current § 145.71 by permitting an applicant located outside the United States to obtain a repair station certificate if it maintains foreign-registered aircraft operated under the provisions of part 121 or part

135, or aircraft engines, propellers, appliances, components, or parts thereof for use on such aircraft. In addition, the proposal (1) required the applicant to demonstrate that required fees have been paid and (2) codified the FAA's existing practice of requiring that a repair station located outside the United States complete in English an application for a repair station certificate.

Proposed § 145.51(d) would have permitted all consortiums that function as a single entity with regard to quality control and quality assurance functions, that hold an approved type certificate, and that perform maintenance, preventive maintenance, or alterations of that type-certificated product and components thereof to apply for a repair station certificate under this section.

In proposed paragraph (e), the FAA addressed applications for additional ratings or renewal of repair station certificates.

Comments: Many commenters questioned the reference in proposed paragraph (a)(1) to an approved rather than accepted repair station manual. Some of these commenters stated that use of the word "approved" applies a more stringent standard to repair stations than to other certificate holders. With regard to proposed paragraph (a)(2), some commenters suggested requiring a listing by model series. Some commenters stated that a listing by parts is burdensome and would generate excessive paperwork and costs. One commenter recommended revising "part" to read "part family."

Commenters generally opposed requiring the accountable manager to sign a statement that procedures are in place that meet the requirements of part 145. One commenter noted that the application process and subsequent FAA surveillance will ensure compliance with part 145.

Commenters stated that the organizational chart should contain functional titles only. Those commenters opposed including names in the chart; some commenters stated that if names are included, the FAA must understand that those names would be current only at the time of application submission. Some commenters noted that current personnel assignments will be included in the required repair station roster. Another commenter recommended deleting this requirement because the information will be included in the repair station manual. One association stated that FAA approval of a repair station's organizational chart and personnel assignment is inappropriate.

Some commenters suggested requiring only a general description of the applicant's housing and facilities under proposed paragraph (a)(5). An association contended that the proposed paragraph repeated the requirements in proposed § 145.207(c), now § 145.209(c). That association also opposed requiring an applicant's physical address in the application.

With regard to proposed paragraph (a)(6), commenters stated that "maintenance functions" is not adequately described; some commenters suggested using "job function" as set forth in appendix A. A few commenters indicated that only maintenance functions to be contracted to noncertificated persons should be listed in the application. Some commenters appear to have believed that the proposal would require FAA approval of vendors. One association stated that the required information will be provided on FAA Form 8130-3 and under § 145.207(h), now § 145.217(a), and, therefore, should be eliminated from the application.

Commenters opposed the requirement in proposed paragraph (b) that equipment be in place at the time of certification and stated that it would be unnecessarily burdensome. Commenters suggested requiring only that the equipment be "available." Commenters noted that some repair stations may lease equipment. Other commenters noted that it is only important that the equipment be in place when needed to perform the work.

Commenters stated that proposed paragraph (c) should not be included in the final rule because the FAA has stated an intention to eliminate all distinctions between repair stations located inside the United States and those located outside the United States. Unions noted that the proposal does not require repair stations located outside the United States to comply with drug and alcohol testing programs applicable to repair stations located in the United States. Some unions and members of the U.S. Congress also urged reinstating the need-based requirement for repair stations located outside the United States. Some manufacturing associations opposed a need-based requirement and stated that market forces will determine if a repair station is "necessary."

Commenters generally opposed proposed paragraph (d), which recognized consortiums that operate as a single organization. Some commenters felt that the proposal would provide an economic advantage to European repair stations. One association stated that the establishment of requirements for

satellite repair stations make this provision unnecessary.

Comments varied with regard to proposed paragraph (e). Some commenters recommended alternative language, for example, referring to changes to ratings instead of additional ratings. Another commenter recommended deleting the paragraph and adding the requirements to proposed § 145.57(b).

FAA Response: In this final rule, paragraph (a)(1) references a repair station manual "acceptable to the FAA." The FAA has not included the requirement for approval of the repair station manual in § 145.207 of this final rule. In addition, the FAA has added a requirement in paragraph (a)(2) for submission of the applicant's quality control manual as required by § 145.211(c). The requirement for a quality control manual is explained in the preamble discussion of § 145.211. The FAA has revised paragraph (a)(3) (proposed paragraph (a)(2)) by using the term "article" rather than "aircraft, airframe, aircraft engine, propeller, appliance, component or part thereof." Commenters interpreted proposed paragraph (a)(2) to require a listing by type, make, model, or "part" of the article for which the application is made. The final rule requires, as did the proposal, listing only the type, make, or model of the article for which application is made. The FAA notes that some repair stations work only on parts and therefore the type, make, or model for that part would be required.

Based on commenter opposition, the FAA has eliminated the proposed requirement for the accountable manager to sign a statement that procedures are in place that meet the requirements of part 145.

Paragraph (a)(4) is adopted as proposed. The FAA disagrees with commenters who suggest that only functional titles should be included on the organizational chart. The FAA finds that it is important to the certification process that a repair station demonstrate that qualified personnel are assigned to management and supervisory positions. The FAA notes that although personnel assignments may change after certification, current management and supervisory assignments must be maintained in the roster required by § 145.161. In response to one commenter, the FAA notes that the organizational chart in the repair station manual does not require individual names.

The FAA has adopted paragraph (a)(5) as proposed with minor editorial changes. Requiring only a general description of facilities would lead to

subjective determinations of what kind of description is adequate. In addition, the FAA finds it is necessary to have a complete description, including the physical address of the repair station, for the certification process. The FAA recognizes that this information also will be included in the repair station manual. However, the FAA notes that the information in the manual must be kept current after the certification process; therefore, it performs an additional function.

The FAA has adopted paragraph (a)(6) as proposed with minor editorial changes. The FAA notes that the application must include only the list of maintenance functions to be contracted out, not a list of vendors for approval. The FAA does not agree that this requirement should be restricted to maintenance functions contracted to noncertificated persons. The FAA finds that although this information must be made available to the FAA under § 145.217(a), the information is important to the certification process and must be included in the application. The final rule explicitly provides that the list of maintenance functions to be contracted out is subject to the FAA's approval. The FAA notes that under the proposal, this information also was subject to FAA approval because it was included in the proposed repair station manual, which was an approved manual. In response to the comments regarding the meaning of "maintenance functions," the FAA notes that maintenance functions include those individual tasks that comprise the maintenance, preventive maintenance, and alterations required to return an article to service.

This final rule also includes paragraph (a)(7), which requires that an applicant for a repair station certificate submit a training program for approval in accordance with § 145.163. Under the proposal, the training program would have been submitted as part of the repair station manual, which, as previously noted, was proposed to be an approved manual. The FAA notes that § 145.163(a) contains a delayed compliance date; therefore, an applicant for a repair station certificate would not be required to submit a training program with its application until the date specified in § 145.163(a).

The FAA has revised paragraph (b) to permit a repair station to meet the equipment requirement by having a contract acceptable to the FAA that ensures the equipment will be available when the relevant work is performed. Such arrangements may include lease agreements and rental agreements. This will accommodate those repair stations

that do not plan to purchase expensive equipment that may not be used regularly. The FAA will review the contract during the certification process, particularly with respect to the applicant's ability to obtain the equipment when the relevant work is performed. However, this provision does not relieve the applicant from having the equipment in place and available for inspection at the time of certification. The applicant need not physically retain the equipment after certification, but the FAA has determined that it is necessary that the applicant have the equipment in place during the certification process. The FAA will observe the placement of the equipment, whether the equipment works, and whether the applicant can use the equipment properly. The FAA notes that the repair station must have procedures in place for ensuring the equipment is calibrated properly, if applicable, at the time of use.

With regard to proposed paragraph (c), the FAA has eliminated as many of the distinctions as possible between repair stations located inside the United States and those located outside the United States. However, the FAA has determined that the proposed application process distinctions are necessary. In response to commenters' concerns, the FAA notes that the proposed rule would require, exactly as does the current § 145.71, that the certificate/rating applied for be necessary for maintaining or altering U.S.-registered aircraft and their parts, or foreign aircraft/parts operated under part 121 or part 135.

With regard to requiring personnel of repair stations located outside the United States to comply with U.S. drug and alcohol testing requirements, the FAA previously has found that there are significant practical and legal concerns precluding implementation of the anti-drug rule outside the United States. In adopting proposed paragraph (c), the FAA has used the word "articles" where appropriate. The FAA notes that proposed paragraph (c)(3), which explicitly provided that all documentation from a repair station located outside the United States had to be submitted in English, has not been included in this final rule. This paragraph was not necessary because paragraph (a) requires that all applications be in a format acceptable to the FAA, and the FAA has determined that only applications in English will be acceptable.

Based on comments opposing the concept of consortiums, the FAA has removed from this final rule any provisions for consortiums. The FAA

notes that a rule for consortiums is unnecessary because only a limited number of exemptions have been issued to address this situation. The FAA finds that these limited requests would be better handled on a case-by-case basis under the part 11 exemption process.

The FAA has adopted paragraph (e) as proposed with minor editorial changes. In addition, the paragraph also applies to applications for amended certificates. The FAA notes that this paragraph appears as paragraph (d) in this final rule.

Section 145.53 Issue of Certificate

Summary of Proposal/Issue: The FAA based proposed § 145.53 on current §§ 145.11(b) and 145.71, which address the issuance of a repair station certificate. The FAA notes that in this final rule, § 145.53 includes the requirements in proposed § 145.2, which addressed repairs station certificates issued to persons located outside the United States, including persons in countries with which the United States has a bilateral aviation safety agreement (BASA). Comments on proposed § 145.2 will be addressed below.

Comments: Some commenters stated that the proposed language regarding issuance of certificates is ambiguous and unclear. One commenter recommended returning to the language in current § 145.11(b). Commenters also recommended changing "organization" to "person."

Commenters generally supported the language of proposed § 145.2(a). However, one commenter noted that paragraph (a) does not include the limitations of proposed § 145.53 and recommended adding the requirement to demonstrate that a repair station certificate is necessary in the interest of safety.

Some commenters supported the language of proposed § 145.2(b), now § 145.53(b). However, a few commenters indicated that the language is redundant and unnecessary because the Administrator already is given this authority by law. One commenter agreed that the requirements for safe maintenance should not depend on the location of the repair station but is concerned that proposed § 145.2(b) does not address repair stations located in countries for which BASAs with the United States do not exist.

Many commenters are concerned with the FAA giving its oversight responsibility to foreign governments. In addition, some members of the U.S. Congress noted that it appears repair stations located outside the United States will be regulated less stringently

than facilities based in the United States. They assert that the safety requirements imposed on repair stations located in the United States should be imposed on repair stations located outside the United States. The commenters added that the FAA has not made a case for allowing repair stations located outside the United States to obtain FAA approval for the sole purpose of siphoning business from domestic facilities.

One foreign airline opposed proposed § 145.2(b) because requiring repair stations located outside the United States to comply with all of part 145 is inconsistent with established BASAs.

FAA Response: As previously noted, the FAA has moved the provisions in proposed § 145.2 to § 145.53 in this final rule because both sections deal with the issuance of repair station certificates. In addition, the word "organization" has been changed to "person" for consistency throughout the rule. The FAA notes that "person" is defined in part 1.

In response to commenters' concerns about ambiguity in proposed § 145.53(a), the FAA has reinstated the language found in current § 145.11(b), with minor editorial changes. In this final rule, § 145.53(a) applies to all repair stations, except those repair stations located in a country with which the United States has a BASA. Paragraph (a) provides that a person who meets the requirements of part 145 is entitled to a repair station certificate and ratings, prescribing operations specifications and limitations necessary in the interest of safety.

The FAA has included the text of proposed § 145.2(b), which applies to repair stations located outside the United States in countries with which the United States has a BASA. In response to commenters' concerns regarding surveillance of these repair stations, the FAA notes that the local civil aviation authorities will handle certification tasks for those countries with which the United States has a signed BASA and associated maintenance implementation procedures (MIPs). Repair stations in these countries often must comply with additional requirements if those requirements are stated in the BASA and MIP. The FAA finds that where BASAs exist, repair stations undergo an equivalent level of oversight and inspection when compared to repair stations located in the United States. Not only does the FAA perform routine and, when necessary, extra surveillance when safety may be compromised, other JAA-member countries or national (civil) aviation authorities (NAAs)

perform additional surveillance of these repair stations. Finally, the FAA notes that paragraph (b) is informational and clarifies how the BASA/MIP process works in relationship to the part 145 certification process. The provisions in proposed § 145.2(b) are adopted as § 145.53(b) with minor editorial changes.

Section 145.55 Duration and Renewal of Certificate

Summary of Proposal/Issue: This proposed section was similar to current §§ 145.15 and 145.17 but would have revised the current provision in § 145.17(b) that a certificate or rating for a repair station located outside of the United States expires at the end of 12 months after the date on which it was issued. Instead, the proposal provided that the certificate or rating would expire after 24 months.

Proposed paragraph (d) would have modified the current requirement for certificate renewal by specifying that a repair station located outside the United States must submit its request for renewal no later than 90 days before its current certificate expires.

Comments: Many commenters stated that proposed § 145.55 contradicts the FAA's intention of removing the regulatory distinctions between repair stations located inside the United States and those located outside the United States. One association stated that the FAA failed to present any justification for requiring repair stations located outside the United States to renew their certificates. That association believes that the burden of initial certification and continuous surveillance will be dictated under the BASAs and associated MIPs. Another commenter stated that requiring a repair station located outside the United States to renew its certificate every 24 months is incompatible with JAR 145. Some commenters stated that the proposal affects JAA-certificated repair stations located in the United States because there are no reciprocal terms for renewal and reevaluation. Two unions opposed expanding the certificate duration from 12 months to 24 months, citing safety concerns and the quality of operations at repair stations located outside the United States.

With regard to proposed paragraph (d)(1), a commenter noted that the requirement to apply for a renewal of a certificate 90 days before its expiration would be impractical if the 12-month certificate duration is retained in the final rule.

FAA Response: Where appropriate, the FAA has eliminated the regulatory distinctions between repair stations

located inside the United States and those located outside the United States. However, to ensure an appropriate level of oversight, the FAA has determined that it is necessary to retain the expiration and renewal requirements for repair stations located outside the United States. Despite attempts to harmonize with JAA requirements, the FAA notes that the FAA never considered that certificate duration would be identical for repair stations located inside the United States and outside the United States.

The FAA has retained in this final rule the 12-month certificate duration period found in current § 145.17(b). However, this final rule also allows the FAA to renew the certificate for 24 months as currently permitted. The 12-month certificate duration period provides the FAA more oversight opportunity, especially when reviewing a renewal request for a newly certificated repair station located outside the United States. In light of the return to the 12-month certificate duration, the FAA has retained the current provision requiring repair stations to apply for renewal within 30 days of certificate expiration rather than the 90 days proposed. However, the FAA notes that if the repair station does not apply before that 30-day period, it must follow the application procedures in § 145.51.

The proposal is adopted with the changes discussed above and some minor editorial changes, including reordering of the paragraphs.

Section 145.57 Amendment to or Transfer of Certificate

Summary of Proposal/Issue: The proposal was based on current § 145.15 and delineated the circumstances under which a repair station had to apply for a change to its certificate. Proposed § 145.57(b) stated that the privileges of the certificate could not be transferred if the repair station is sold, leased, or otherwise conveyed. Accordingly, to obtain a repair station certificate, a new owner or transferee of repair station assets would have had to apply for a new certificate under the provision of proposed § 145.51.

Comments: With regard to paragraph (a), some commenters recommended eliminating the requirement that the application be on a "form." Commenters generally felt that the prohibition against transfer of repair station certificate privileges in proposed paragraph (b) was overly broad. Commenters noted the changes in the aviation maintenance industry, specifically the increasing number of repair stations owned by publicly held

corporations. Commenters stated that the proposal would decrease the value of the repair station certificate and that there are no similar requirements for air carriers. Commenters stated that a change in ownership does not necessarily result in a material change in the operations of the repair station. Commenters complained about the recertification costs if the proposal is adopted.

FAA Response: The FAA has revised paragraph (a) to clarify that a change to a certificate is necessary only if the certificate holder changes its location or requests to add or amend a rating. Therefore, changes to housing and facilities will not require a change to the repair station certificate. However, the FAA notes that § 145.105 provides that a repair station may not make any changes to its housing or facilities that could have a significant effect on its ability to perform the maintenance, preventive maintenance, or alterations under its certificate and operations specifications without written approval from the FAA. Paragraph (a) also has been revised to permit applications for changes in a format acceptable to the FAA rather than on a form as specified in the proposal.

In response to commenters' concerns regarding the transfer of certificates, the FAA has retained the language in current § 145.15(b) with minor editorial changes.

Section 145.59 Ratings

Summary of Proposal/Issue: The proposed section would have completely revised the current system of ratings and classes specified in current §§ 145.31 and 145.33.

Comments: The comments to the proposal were previously addressed.

FAA Response: As previously noted, the proposed rating system has been withdrawn and will be addressed in a subsequent rulemaking. The final rule retains the rating system found in current § 145.31.

Section 145.61 Limited Ratings

Summary of Proposal/Issue: Proposed § 145.61 contained the transition period for the new ratings system.

Comments: The comments on the transition period are not longer relevant to this rulemaking but will be considered in the subsequent rulemaking.

FAA Response: In this final rule, § 145.61 retains the provisions for limited ratings found in current § 145.33 with minor editorial changes. The FAA notes that current § 145.33(b)(13) is not included in this final rule. That paragraph provided for the issuance of

a limited rating for any other purpose determined by the Administrator. The FAA does not issue any "other" limited ratings, except as specifically delineated in § 145.33(b)(1) through (b)(12), and the provision in paragraph (b)(13) led repair stations to apply for "other" limited ratings. Not including it in this final rule will eliminate any confusion caused by the provision.

Subpart C—Housing, Facilities, Equipment, Materials, and Data

Summary of Proposal/Issue: The proposed title for subpart C was "Facilities, Equipment, Materials, and Housing."

Comments: One association suggested revising the title of the subpart to more closely parallel the order of subjects in the subpart.

FAA Response: The FAA agrees and the title of subpart C is revised to read "Housing, Facilities, Equipment, Materials, and Data."

Section 145.101 General

Summary of Proposal/Issue: This section is based on current § 145.55 with no substantive changes.

Comments: Two associations questioned the use of the words "quantity" and "quality" because the words are too subjective. Commenters also opposed the use of the word "standard" because it is ambiguous and because subpart C does not contain measurable standards for repair station certification; several of these commenters suggested replacing the word "standards" with "applicable requirements." Another association commented that the proposed section does not refer to "housing" and requested that the section be revised to include all items necessary for a repair station to be in compliance with the regulations.

FAA Response: In this final rule, the FAA has not included the words "quantity" and "quality" and has replaced the word "standards" in the proposal with "applicable regulations." The FAA agrees that the words "quantity" and "quality" do not provide objective regulatory criteria. In this final rule, a certificated repair station will have to meet the applicable requirements for issuance of the certificate and ratings it holds. This section also has been revised to reference housing and data requirements because both subjects are addressed in this subpart. The reference to personnel requirements has been removed from this section because personnel are addressed under subpart D.

Section 145.103 *Housing and Facilities Requirements*

Summary of Proposal/Issue: The FAA based proposed § 145.103(a) on current § 145.35.

Proposed § 145.103(b) described the facility and housing requirements currently found in § 145.37. Specifically, proposed § 145.103(b)(1) would have required suitable permanent housing for the largest type and model of aircraft on which a repair station performs maintenance, preventive maintenance, or alteration. Proposed paragraph (b)(2) would have provided for the use of permanent work docks and the performance of work outside, where permitted by climatic conditions. Proposed paragraph (b)(3) would have established new provisions to require a repair station that performs maintenance, preventive maintenance, or alterations on any article of composite construction to meet acceptable process requirements.

Proposed § 145.103(b)(4) through (b)(7) would have revised current requirements to apply to the proposed system of ratings.

Proposed § 145.103(b)(8) would have specifically established a requirement for a repair station to meet any special facilities requirements determined by the manufacturer and approved by the Administrator for an article or system on which maintenance, preventive maintenance, or an alteration is performed.

In § 145.103(c), the FAA proposed to permit a repair station to perform certain job functions on an aircraft at a place other than its fixed location because of a special circumstance as determined by the Administrator.

Comments: With regard to proposed § 145.103(a), commenters expressed concern about the subjective nature of the word “suitable” as used to describe required housing and facilities. Commenters also opposed proposed paragraph (a)(5)(v), which would have permitted the Administrator to determine additional circumstances under which machines and equipment should be segregated. These commenters stated that the proposal would allow for subjective opinions from individual inspectors. Some commenters asserted that if proposed paragraph (a)(5)(v) is adopted, the FAA should establish a mediation process or objective criteria on which inspectors could base their decisions.

Various commenters objected to proposed paragraph (a)(6), which would have required a repair station to have assembly space in an enclosed structure where the largest amount of assembly

work is done, on the grounds that repair stations may need to perform work outside. One commenter stated that instead of eliminating work outdoors, the FAA should require adequate protection from the environment. However, one union supported the elimination of outdoor work. The union asserted that environmental factors can have an adverse effect on working conditions. Opposition also was expressed to the requirement in proposed paragraph (a)(7) for a repair station to have storage facilities used exclusively to store and protect parts. Commenters argued that the provision would require repair stations to build additional facilities and that exclusive use of a storage facility is not necessary to ensure an article is airworthy.

Some commenters opposed proposed paragraphs (a)(8) through (a)(10) because the requirements relate to environmental codes, and FAA inspectors are not trained to conduct Occupational Safety and Health Administration (OSHA) audits. In addition, some commenters complained that those paragraphs lack objective standards and, therefore, would be subject to the interpretation of individual FAA inspectors.

Some commenters opposed the use of the word “suitable” in proposed paragraph (b)(1) on the basis that it could lead to subjective interpretations. Some commenters suggested that the requirement for enclosed permanent housing be based on the capability list rather than the repair station rating. Other commenters cited the expense associated with requiring such housing.

One commenter stated that the use of permanent work docks in proposed paragraph (b)(2) should not be based on climatic conditions. Another commenter stated that the proposal implies that permanent work docks are required to work outside. That commenter contended that work docks are not always necessary. One commenter interpreted the proposal as prohibiting work docks as allowed under the current rules. Another commenter opposed requiring FAA acceptance of the work docks on the basis that FAA inspectors are not able to determine which work docks are acceptable.

Commenters who opposed proposed paragraph (b)(3) stated that all maintenance, preventive maintenance, or alterations require meeting acceptable process requirements, not just work performed on composites. Other commenters recommended deleting this provision because it does not relate to housing and facilities requirements.

One association stated that proposed paragraphs (b)(4) through (b)(7) are

redundant to the requirements of proposed paragraph (a), which permits the Administrator to base the housing and facilities requirements on the rating held and the work to be performed.

Commenters suggested possible alternative language for proposed paragraph (b)(8) to permit facilities equivalent to those recommended by the manufacturer.

Comments on proposed paragraph (c) will be addressed in the discussion of § 145.203, which includes the proposed requirements in this final rule.

FAA Response: The FAA has revised § 145.103 in response to issues raised by the commenters. The FAA agrees that the housing and facilities requirements should be based on a repair station's ratings and the work performed. This final rule does not contain many of the specific requirements opposed by the commenters. This final rule provides regulatory flexibility and accommodates changing technologies while helping to ensure only airworthy articles are returned to service.

For example, this rule requires that a repair station have facilities that provide for the proper segregation and protection of articles, and segregated work areas enabling environmentally hazardous or sensitive operations to be performed without affecting other work.

The FAA notes that commenters who contend that the FAA should not issue regulations that address ventilation, lighting, and control of temperature and humidity appear to believe that this area should be regulated only by OSHA. The FAA notes that the regulations addressing these issues are intended to ensure the quality of maintenance performed. If articles and workers performing maintenance functions on these articles are not protected from these elements, the work may not be performed properly. Therefore, the issue is one of the quality of the work performed, which is clearly within the scope of the FAA's authority.

This final rule includes a requirement that a repair station with an airframe rating must provide suitable permanent housing to enclose the largest type and model aircraft listed on its operations specifications. Unlike the current requirement, this final rule does not require a repair station to provide housing for at least one of the heaviest aircraft within the weight class of the rating it seeks. In response to comments opposing the use of the word “suitable,” the FAA finds that because the operations conducted by repair stations vary, the agency cannot dictate one type of permanent housing suitable for each repair station. Therefore, the word “suitable” is retained in this final rule.

This final rule also provides that a repair station may perform maintenance functions outside of its housing if the repair station provides facilities that are acceptable to the FAA and meet the requirements of § 145.103(a) to ensure the work can be performed in accordance with the requirements of this part and part 43.

The FAA notes that proposed paragraph (c), which is included in § 145.203 of this final rule, will be discussed later.

Section 145.105 Change of Location, Housing, or Facilities

Summary of Proposal/Issue: The proposal specified the types of changes that would require the Administrator's approval. The proposal would have required that any change to the location or facilities of a repair station, including substantial rearrangement of space within its present location, be approved in advance. The proposal also stated that a repair station may not operate at a new location until approved by the Administrator.

Comments: Commenters generally opposed the proposal. They stated that the proposal would lead to subjective and inconsistent interpretations by inspectors. Commenters stated that the rule should not address "any" change, and only changes that adversely affect the airworthiness of articles should require FAA approval. Some commenters asserted that only reductions in space should require approval. Other commenters opposed any regulation of changes to housing and facilities. One association opposed the proposal because there is no safety justification for requiring approval to rearrange equipment.

FAA Response: In response to commenters' concerns, the FAA has retained the requirements in current § 145.21 with some changes. Specifically, in this final rule, § 145.105(a) requires approval only of changes to the location of the repair station's housing. Paragraph (b) requires FAA approval of changes to housing or facilities required by § 145.103 only if the change would have a significant effect on the repair station's ability to perform maintenance, preventive maintenance, or alterations under its certificate and operations specifications. Therefore, not all changes to housing or facilities will require approval. The FAA notes that the rule does not require FAA approval for equipment changes under this section. Paragraph (c) retains with minor editorial changes the provision that the FAA may prescribe conditions and limitations under which the repair station must operate during a

change to its location, housing, or facilities.

Section 145.107 Satellite Repair Stations (Proposed §§ 145.107 and 145.109)

Summary of Proposal/Issue: In these sections, the FAA proposed to permit a repair station to establish a satellite repair station to perform work at a place other than the repair station's primary facility. Proposed § 145.107(a) described a satellite repair station and specified the requirements for the certification of these facilities. In paragraph (b), the FAA proposed to permit the parent and satellite repair station to use each other's personnel and equipment.

Additionally, in paragraphs (c) and (d) the FAA proposed to codify the current practice that a repair station located within the United States would not be permitted to have a satellite repair station located outside the United States. Likewise, a repair station located outside the United States would not be permitted to have a satellite repair station located within the United States.

Because proposed § 145.109 addressed satellite repair station operations, it has been combined with § 145.107 in this final rule. Proposed § 145.109 required that a chief inspector or an assistant chief inspector be designated for a satellite repair station. The proposal also required that the inspector be available at the satellite repair station or, if away from the premises, by telephone, radio, or other electronic means.

Comments: Commenters generally supported the concept of satellite repair stations. However, the majority of commenters requested that the CHDO for the repair station with managerial control also have responsibility for the satellite repair station. Commenters also indicated that a single point of contact with the FAA is important.

With regard to satellite repair station manuals, commenters requested that a satellite repair station be able to combine its manual with the manual of the managing repair station. Some commenters suggested that the satellite repair station's procedures could be in an appendix to the managing repair station's manual. A few commenters stated that one manual would permit one quality control system for the managing and satellite repair stations, which would promote safety. Commenters also stated that the manual should be accepted rather than approved as provided for in the proposal.

Commenters stated that the word "independent" should be removed from proposed paragraph (b) because it has

not been defined and appears to create another category of satellite repair stations.

Commenters generally opposed proposed paragraphs (c) and (d) because the restrictions from having satellite repair stations in countries other than the country of the managing repair station hinder the expansion of the aviation industry across international borders. Commenters stated that a single quality control system offers the potential for a satellite repair station to be located "globally." Commenters asked whether a repair station located outside the United States may have a satellite repair station located outside the United States and, if so, whether the satellite repair station must be in the same country as the managing repair station.

With regard to proposed § 145.109, commenters opposed the use of the terms "chief" inspector and "assistant chief" inspector. Some commenters stated that part 145 does not require those specific positions. The JAA recommended amending the proposal to require that the inspector be present when there is a need to inspect or return to service an article. The JAA noted that it is important to prevent telephone-based judgments made on the basis of another person's observations when an aircraft has been involved in an incident.

FAA Response: The FAA has revised this section in the final rule to clarify the requirements for satellite repair stations. In addition, the final rule does not use the term "parent" to describe the managing repair station but rather refers to it as the "repair station with managerial control" over the satellite repair station.

The FAA intends that the CHDO for the repair station with managerial control also hold the satellite's repair station certificate. Surveillance will be conducted by the geographic flight standards district office (FSDO) at the request of the CHDO. Although a satellite repair station will have its own certificate, it may not hold a rating not held by the repair station with managerial control. The satellite need not hold all the ratings held by the managing repair station. This requirement is in paragraph (a)(1).

With regard to the satellite's repair station manual, the satellite may use the managing repair station's manual if it is applicable to the satellite's operations. The two manuals may not be identical because the operations of the managing and satellite repair stations may not be identical. It is likely that the satellite repair station will use portions of the managing repair station's manual. The

FAA notes that the manuals could be combined with specific procedures set apart for the satellite repair station. When applying for its certificate, the satellite repair station must submit whatever manual it will use. The FAA notes that the manual must be acceptable to the FAA rather than approved by the Administrator, as proposed.

This final rule also requires that the applicant for a satellite repair station certificate submit a quality control manual acceptable to the FAA. Like the repair station manual, the quality control manual may be identical to the managing repair station's quality control manual, if appropriate. The requirement for a quality control manual will be discussed in the analysis of § 145.211.

Paragraph (b) of this final rule contains the requirements of proposed paragraph (b) and proposed § 145.109. References to "chief" inspector and "assistant chief" inspector have been deleted. The FAA also included language to clarify that inspection personnel designated for a satellite repair station must be available at the satellite repair station any time a determination of airworthiness or return to service is made. In other circumstances, inspection personnel may be away from the premises but must be available by telephone, radio, or other electronic means.

This final rule combines proposed paragraphs (c) and (d) and provides that a satellite repair station may not be located in a country other than the domicile country of the certificated repair station with managerial control. This prohibition is necessary because of certification and surveillance issues. For example, if the repair station with managerial control is located in a country with whom the United States has a BASA and MIP, certification is accomplished under the BASA and MIP and surveillance is performed by the CAA of the foreign country. If the satellite repair station is located in another country with whom the United States does not have a BASA and MIP, certification of the satellite repair station could not be accomplished in a manner consistent with that of the repair station with managerial control. In addition, the entity providing surveillance of the repair station with managerial control would not provide surveillance of the satellite repair station.

Section 145.109 (Proposed § 145.111) Equipment, Materials, and Data Requirements

Summary of Proposal/Issue: The proposed requirements were based on

current §§ 145.47 and 145.49. The proposal would have retained the requirements similar to those of current §§ 145.47(a) and (b), and 145.49(a); however, the proposal would have required that tools used to accomplish work must be those recommended by the manufacturer or equivalent to the manufacturer's recommendation, and acceptable to the Administrator. The proposal also would have required that tools used for product acceptance and/or for making a finding of airworthiness be tested at regular intervals to ensure correct calibration to a standard acceptable to the Administrator.

Comments: Commenters opposed proposed paragraph (a) on the basis that it precludes repair stations from renting or leasing equipment. The commenters stated that this option is particularly important for expensive, rarely used tools.

Commenters stated that proposed paragraph (b) is vague. Some commenters requested that the FAA define a "standard acceptable to the Administrator." Other commenters stated that the regulation should state that the standards be derived from National Institute of Standards and Technology (NIST) standards or "accepted or approved by a national government standards agency."

Commenters who opposed proposed paragraph (c) stated that the tools and equipment should be required to be in place only when the work is being performed. In addition, some commenters stated that the proposal limits the repair station's ability to develop alternative tooling that performs the intended function and would be acceptable to the Administrator. A few commenters recommended eliminating this paragraph because equipment and tooling already are addressed in § 43.13(a).

Because the FAA has moved the requirements for a repair station to keep current certain documents from proposed § 145.201(b) and (c) to § 145.109 in this final rule, comments on maintaining current documents and possessing manufacturers' maintenance manual requirements in proposed § 145.201(b) and (c) will be discussed here. Commenters encouraged the FAA to revise the rule to permit the use of electronic databases. Some commenters stated that the rule language should reference part 43. Commenters also opposed the requirement to always have all the documents and data listed in this section. They contended that the information is necessary only when the work is being performed. Specifically, commenters stated that there is no need

for a repair station to have all service bulletins applicable to a part unless work required by the particular service bulletin is being performed. Other commenters complained that to require a repair station to maintain all current manufacturers' maintenance manuals relating to an article when maintenance is performed is unnecessarily costly. Some commenters requested that "approved technical data" be added to the list of required data.

FAA Response: The FAA has substantially revised the proposed requirements based on the comments. The language adopted in this final rule is based in part on language provided by commenters.

In this final rule, paragraph (a) requires a repair station to have the equipment, materials, and tools necessary to perform the work under its repair station certificate and operations specifications in accordance with part 43. Although proposed paragraph (a) did not preclude repair stations from renting or leasing equipment, the FAA has revised that paragraph to clarify that the equipment must be located on the repair station's premises and under its control when the work is being done.

The FAA has revised paragraph (b) as proposed to require that a repair station ensure that all test and inspection equipment and tools used to make airworthiness determinations are calibrated to a standard acceptable to the FAA. The FAA will issue guidance regarding what standards will be acceptable to the FAA. The FAA has issued numerous exemptions from the current requirement that calibration be to a standard derived from the NIST when the alternative standard has been accepted by the NIST as adequate. The intent of this provision is to provide more regulatory flexibility. The FAA notes that this paragraph no longer requires that the equipment be calibrated at "regular" intervals. The interval at which measuring and test equipment is calibrated depends on the type and use of the equipment; therefore, the word "regular" does not adequately describe when the equipment should be calibrated. The FAA notes that § 145.211(c)(1)(viii) requires that a repair station's quality control manual contain a description of the systems and procedures for calibrating measuring and test equipment used in maintaining articles, including the intervals at which the equipment will be calibrated.

Paragraph (c) has been simplified and the references to appendix A to part 145 have been eliminated. This final rule provides that equipment, materials, and tools must be those recommended by

the manufacturer of the article, or at least an equivalent, and acceptable to the FAA. In response to the comment, the FAA notes that the rule permits a repair station to develop its own tooling provided it is at least equivalent to that recommended by the manufacturer and acceptable to the FAA.

The FAA has replaced proposed paragraph (d) with requirements similar to those in proposed § 145.201(b) and (c). The FAA has determined that requirements for maintaining documents and data are more appropriately located in § 145.109. This final rule requires each repair station to maintain, in a format acceptable to the FAA, the documents and data necessary to perform work under its repair station certificate and operations specifications in accordance with part 43. The documents and data must be current and accessible when the relevant work is being done. As suggested by one commenter, the FAA has added a reference to other applicable data acceptable to or approved by the FAA.

In addition, the final rule permits the required documents and data to be maintained in a format acceptable to the FAA. As previously noted, this language will permit the information to be stored electronically and give the FAA the discretion to permit the storage of information through other media, if appropriate.

Regarding the document and data requirements, the FAA notes that § 43.13 already requires that work be performed in accordance with the methods, techniques, and practices prescribed in the current manufacturer's maintenance manual or Instructions for Continued Airworthiness or other methods, techniques, and practices acceptable to the Administrator.

Subpart D—Personnel

Section 145.151 Personnel Requirements

Summary of Proposal/Issue: In § 145.151 the FAA proposed to establish the same general personnel requirements for repair stations located inside the United States as those located outside the United States. The FAA also proposed to require each certificated repair station to designate an individual as the accountable manager.

Comments: For reasons previously discussed, commenters opposed requiring a repair station to designate an accountable manager as proposed in paragraph (a)(1). Commenters opposed the requirement in proposed paragraph (a)(2) for a "sufficient" number of personnel on the basis that it is vague. Some commenters stated that the level

of staffing is a business decision. An association stated that this language may prohibit smaller facilities from meeting the requirements of the paragraph because the workload of a small repair station can fluctuate dramatically during a given time period.

One commenter asked whether "maintenance operations" as used in proposed paragraph (a)(3) include alterations. A few commenters recommended removing the word "noncertificated" from that paragraph. Other commenters stated the proposal could require all noncertificated employees, such as building maintenance personnel, to be tested. Some commenters stated that requiring practical tests of noncertificated employees would be impractical because the repair station would have to develop and administer tests for every conceivable job function.

With regard to proposed paragraph (c), commenters again criticized the use of the word "sufficient." Commenters also criticized the use of the word "technique" because it is unrelated to a standard.

FAA Response: The FAA has made editorial changes, removed redundant requirements, and reorganized this section for clarity. The language adopted in the final rule is based, in part, on language proposed by commenters.

As discussed in the analysis of § 145.3, the FAA has retained the position of accountable manager. The FAA notes that a repair station is not required to hire an individual to fill this position but may designate a current employee as the accountable manager. In addition, a satellite repair station need not designate an accountable manager; the accountable manager for the repair station with managerial control over the satellite repair station may serve in this position.

The FAA has retained the requirement for a "sufficient" number of employees in paragraph (c). Because repair stations vary in size, the FAA cannot require a specific number of employees, and the language accommodates this situation. The FAA notes that the rule does not require a repair station to always maintain a certain staffing level but rather requires it have a sufficient number of employees for the work being performed.

In response to one commenter's concern, paragraph (d) in the final rule applies only to employees who perform maintenance functions under part 145. The FAA disagrees with the commenters who suggested removing the word "noncertificated." The final rule requirement that a repair station

determine the abilities of its employees based on training, knowledge, experience, or practical tests applies only to noncertificated employees who perform maintenance functions. The FAA notes that a determination based on these criteria is not required for part 65 certificated employees.

In response to the commenter who asked whether maintenance operations include alterations, the FAA previously noted that maintenance functions (proposed as maintenance operations) include all the tasks required to perform maintenance, preventive maintenance, and alterations.

Section 145.153 Supervisory Personnel Requirements

Summary of Proposal/Issue: In this section, the FAA proposed minimum practical experience and training requirements for supervisory personnel. The proposal also would have expanded the Administrator's ability to determine the competence of all supervisory personnel. In addition, this proposed section would have required minimum experience and training requirements for inspection personnel employed at repair stations.

Comments: Commenters generally opposed this proposed section. Commenters questioned why the proposal requires part 65 certification of supervisors. Some of these commenters questioned why a certificated supervisor also must have 18 months of experience. One association asked what constitutes 18 months of experience: for example, performing the maintenance function once a month or once in 18 months. Commenters opposed the proposed requirement for a "sufficient" number of trained personnel to supervise the maintenance performed and suggested replacing the term "trained personnel" with "qualified personnel." Commenters asked for clarification of the difference between a "supervisor" and a "person directly in charge." In addition, commenters opposed the FAA determining the appropriate ratio between supervisors and apprentices or students. Commenters also opposed the proposal to permit the FAA to evaluate supervisory personnel, particularly based on testing. Commenters felt this provision is overreaching and may allow abuse and personal bias.

Commenters stated the proposal does not eliminate the distinctions between repair stations located inside the United States and those located outside the United States. Unions opposed exempting foreign repair station personnel from part 65 certification requirements.

FAA Response: The FAA has revised this section to clarify its requirements and remove redundant provisions. In addition, this section no longer addresses inspection personnel requirements. For clarity, the FAA determined that it would be better to address inspection personnel requirements in a separate section.

The final rule retains the requirement for a "sufficient" number of personnel to perform supervisory duties. As previously noted, because repair stations vary in size, the FAA cannot require a specific number of supervisors. The final rule also requires that supervisors hold part 65 certification if employed by a repair station located inside the United States. However, the rule does not require supervisors employed by a repair station located inside the United States to have either 18 months of experience or be trained or thoroughly familiar with the means used to accomplish the maintenance work being supervised, as proposed. The FAA notes it is not necessary to set forth such experience requirements in this rule because the proposed experience requirements are similar to the 18-month practical experience requirement in § 65.77 for mechanics and § 65.101 for repairmen. However, supervisors at repair stations located outside the United States are required under the final rule to meet the proposed experience requirements because they are not required to have part 65 certification. During the certification process of a repair station that is located outside of the United States, the FAA assesses the foreign country's licensing procedures to determine if they meet minimum safety standards that are acceptable to the FAA. Also, under BASAs with other countries, the FAA can assess the adequacy of licensing procedures either separately or as one of the elements of the MIP.

If the FAA determines that a country's licensing procedures are not acceptable, the FAA has the discretion to require that the personnel performing covered maintenance functions in those repair stations be certificated under part 65 before the station will be issued a part 145 certificate. In the case of a BASA where the Civil Aviation Authority (CAA) does meet all of the FAA licensing standards, the Administrator would require the CAA to add additional requirements. In addition, part 145 sets forth minimum experience and knowledge requirements for foreign maintenance personnel. Adequate controls are in place that allow the Administrator to exercise discretion in the interest of safety and to ensure that

only qualified maintenance personnel perform work in repair stations located outside the United States. The FAA finds that requiring all foreign maintenance personnel to meet the part 65 certification requirements would not serve any safety purpose, and it would place an unnecessary burden on both the FAA and the foreign maintenance personnel. Imposing such requirements would impair the exercise of discretion, and thus not be appropriate.

Finally, this final rule includes the requirement that supervisors understand, read, and write English. The FAA notes that the proposal contained such a requirement for supervisors at repair stations located outside the United States. Supervisors at repair stations located inside the United States are required to be certificated under part 65; that part requires those individuals to read, write, speak, and understand English.

The final rule does not dictate the ratio of supervisors to individuals being supervised but leaves this decision to the repair station. With regard to the difference between a "supervisor" and a "person directly in charge," the definition of "directly in charge" provides that the person need not physically observe and direct each worker constantly but must be available for consultation on matters requiring instruction or decision from higher authority. A supervisor would physically observe and direct a worker when needed.

The FAA has not included proposed paragraph (g) in the final rule. This paragraph provided for FAA evaluation of supervisory personnel based on employment records, tests, or any other methods. The FAA has determined that such a provision is not necessary because this section already requires supervisory personnel to meet certain qualifications.

Section 145.155 (Proposed § 145.153) Inspection Personnel Requirements

Summary of proposal/issue: Proposed § 145.153 would have addressed inspection personnel requirements.

Comments: Commenters opposed the proposal to permit the FAA to evaluate inspection personnel, particularly based on testing. Commenters felt this provision is overreaching and may allow abuse and personal bias.

FAA Response: For clarity, the FAA has addressed inspection personnel requirements in this separate section. The FAA notes that minimum qualification requirements, currently found in § 145.45, were inadvertently omitted from the proposal. The final rule contains qualification requirements

similar to those found in the current rule. The final rule does not require that inspection personnel hold part 65 certification. However, the inspectors must be thoroughly familiar with applicable regulations and inspection methods, techniques, practices, aids, equipment, and tools used to determine the airworthiness of an article. In addition, they must be proficient in using various types of inspection equipment and visual inspection aids appropriate for the article being inspected. Finally, the final rule includes the requirement that inspectors understand, read, and write English.

The FAA notes that this section does not include the proposed provision that would permit the FAA to evaluate inspection personnel based on employment records, tests, or any other methods. As noted in the discussion of § 145.153, inspection personnel are already required to meet certain qualifications.

Section 145.157 (Proposed § 145.211(c)) Personnel Authorized To Approve an Article for Return to Service

Summary of Proposal/Issue: Proposed § 145.211(c) would have set forth the qualifications for inspectors authorized to perform inspections under that section.

Comments: No comments were received on this proposal.

FAA Response: The FAA has determined that the requirements for personnel authorized to return an article to service are more appropriately included in subpart D, which contains all other personnel requirements, rather than subpart E, which addresses operating rules. The final rule requires that personnel authorized to return an article to service be part 65 certificated unless employed by a repair station located outside the United States. The final rule requires personnel employed by a repair station outside the United States to have 18 months of practical experience and be thoroughly familiar with the applicable regulations and proficient in the use of the various inspection methods, techniques, practices, aids, equipment, and tools appropriate for the work performed and approved for return to service. Such experience requirements are not necessary for personnel authorized to approve an article for return to service who are employed by a repair station located in the United States, because those personnel hold part 65 certification. Finally, the final rule also includes the requirement that personnel authorized to approve an article for return to service must understand, read, and write English.

*Section 145.159 (Proposed § 145.155)
Recommendation of a Person for
Certification as a Repairman*

Summary of Proposal/Issue: The proposal would have required a repair station to recommend a sufficient number of repairmen to meet all applicable requirements of this part if the repair station chooses to use repairmen to satisfy these requirements. The FAA also proposed to delete provisions of current § 145.41(b), which required that each person recommended must be at or above the level of shop foreman or department head or be responsible for supervising the work performed by the repair station. Section 145.41(b) also permitted a repair station to recommend any employee who meets the requirements of current § 65.101 for certification as a repairman.

Consistent with proposed § 145.153(g), proposed § 145.155(b) also would have permitted the Administrator to evaluate any repairman's ability by inspecting employment and experience records and/or by administering an oral or practical test.

Comments: Comments on the proposed language varied. One association contended that the requirements under § 65.101 are explicit enough that proposed § 145.155(a)(3) and (b)(1) through (b)(3) is not necessary. That association stated that the proposed language is confusing because it could be interpreted as imposing requirements in addition to those found in § 65.101. Commenters recommended eliminating proposed paragraph (b), which permitted subsequent FAA evaluation of a repairman based on employment, tests, or any other methods.

FAA Response: The FAA has substantially revised the proposal to address commenters' concerns. This final rule simply requires a repair station who chooses to use repairmen to meet the applicable personnel requirements of this part to certify that each person recommended is employed by the repair station and meets the eligibility requirements of § 65.101. The rule no longer requires a repair station to certify that the person has the necessary training and practical experience to perform the work functions for which certification is required. It was not the FAA's intent to impose training or experience requirements beyond those imposed in § 65.101.

Current § 145.41 requires that a certificated repair station recommend at least one person for certification as a repairman. Under this final rule, a repair station is not required to

recommend any specific number of repairmen. However, the FAA notes that a repair station must have an appropriate number of repairmen for the work to be performed under its certificate and ratings. In addition, this final rule does not contain the proposal regarding subsequent evaluation of a repairman.

*Section 145.161 (Proposed § 145.157)
Records of Management, Supervisory,
and Inspection Personnel*

Summary of Proposal/Issue: The FAA based this proposed section on current § 145.43. The FAA proposal continued to require a repair station to retain a roster of supervisory (including management) personnel and inspection personnel. In paragraph (a)(3) the FAA proposed to establish a new requirement for a repair station to retain a roster of those certificated personnel authorized to sign a maintenance release for approval for return to service of an altered or repaired article.

The proposal included current requirements relating to the retention of information indicating compliance with experience requirements. The FAA proposed to modify the current rule by requiring that these rosters be kept current.

Comments: Commenters suggested revisions to the proposed language, including elimination of the term "chief inspector." A few commenters requested that the FAA define the term "technical supervisors" as used in paragraph (a)(1). Some commenters opposed the requirement that repair stations must prepare a summary of past employment history and total years of experience for individuals listed on the rosters. Commenters stated that the only appropriate information to include in the summary is the individual's title, scope of present assignment, and FAA certificate number. Commenters also stated that the rule should accommodate temporary assignments without requiring updated rosters.

FAA Response: In response to a request to define "technical supervisors" as used in proposed paragraph (a)(1), the FAA has revised that paragraph to state "supervisors who oversee maintenance functions." In addition, the FAA has deleted the term "chief inspector" from paragraph (a)(2). The FAA has determined that the summary required in paragraph (a)(4) is necessary to assist the agency in determining that an individual is qualified for the position held at the repair station. In addition, the FAA notes that the summary is a current requirement under § 145.43. The FAA has revised proposed paragraph

(a)(4)(iii), which would have required that the summary include all past employment records with the names of employers and periods of employment by month and year. The final rule requires only past relevant employment with the names of employers and period of employment.

The FAA has added language in paragraph (b) to provide repair stations with 5 business days for updating rosters. This revision should preclude the necessity for daily revisions of rosters.

*Section 145.163 (Proposed § 145.159)
Training Requirements*

Summary of Proposal/Issue: The FAA proposed to require each certificated repair station to establish a training program approved by the Administrator that consists of initial and recurrent training for employees assigned to perform maintenance, preventive maintenance, or alteration functions. The FAA proposed to require that records of accomplished training be documented by the repair station in a form acceptable to the Administrator and that these records be retained for the duration of each individual's employment.

Comments: Commenters voiced various criticisms about the proposed training requirements. Many commenters complained that the proposal does not contain specific requirements and stated that the FAA should issue advisory material for comment before publication of the final rule. Commenters wanted to know the type of training required, the frequency of training, and what is required to quantify and qualify on-the-job training. Some commenters stated that a "one size fits all" rule will not work for small repair stations. One association stated that the hiring practices of small repair stations or the performance of limited and specifically defined, repetitive work does not require continuous training and retraining. Many commenters stated that the training program should be acceptable to the Administrator rather than approved by the Administrator. The NTSB noted that the minimum standards for the recurrent training of pilots, flight attendants, and ground personnel involved in deicing and currency of job-specific skills is no less important for mechanics. The NTSB stated that the final rule should specify a reasonable quantity of recurrent training. An association representing European air carriers stated that the FAA should not require training programs for foreign repair stations that are significantly different than those used by the JAA. Unions and an

association expressed support for a training requirement for repair stations.

With regard to the recordkeeping requirement, commenters stated that the FAA should specify which items to include in the records rather than state that the records should be in a format acceptable to the Administrator. Commenters also recommended that training records be maintained for 2 years only.

FAA Response: The FAA has determined that adoption of a training program for repair station employees who perform maintenance, preventive maintenance, or alterations would enhance aviation safety by helping to ensure that those employees are fully capable of performing the work. It also would promote a level of safety equivalent to that of maintenance performed under parts 121 or part 135.

The FAA disagrees with commenters who contend that training programs should be accepted rather than approved. To ensure that the right type of program and amount of training is tailored to each individual repair station, the FAA has elected to approve training programs rather than accept them. The FAA recognizes that the training programs may vary depending on the size of the repair station and the nature of the work performed. Therefore, the FAA is not prescribing specific training requirements but will approve individual training programs submitted by repair stations. Before the effective date of the final rule, the FAA will issue advisory material regarding the required training program. The FAA does not anticipate that the training program requirement will be burdensome; many repair stations already provide employee training. In addition, the FAA anticipates that training requirements may be met by attending trade or technical society seminars and through on-the-job training. The FAA notes that repair station personnel performing maintenance for certificate holders conducting operations under part 121 or part 135 already must undergo training.

In adopting this rule, the FAA revised the proposal to require repair stations to retain employee training records for a minimum of 2 years. With regard to commenters' concerns regarding the content of the training records, the FAA notes that the language "in a format acceptable to the FAA" refers to the media by which the records will be submitted, for example electronically. When submitting its training program for approval, a repair station should delineate the items it intends to include in the records.

The FAA also disagrees that repair stations located outside the United States that operate differently from JAA-approved repair stations be exempt from the training program requirement. The final rule requires each repair station to implement a training program that is tailored to their individual operation. This may require that JAA training be included in the training programs for repair stations that are JAA-approved. This is not limited to only those repair stations located outside the United States. Likewise, repair stations located outside the United States that are not JAA-approved won't be required to include JAA training if this training does not reflect their operations. The FAA has taken great effort to standardize requirements for all repair stations regardless of their location to ensure only the best trained and qualified workforce performs maintenance on U.S.-registered articles.

To provide time for repair stations to develop their training programs, this final rule provides that beginning 2 years after the effective date of the rule, each applicant for a repair station certificate must submit a training program for approval by the FAA. A repair station certificated before that date must submit its training program for approval on the last day of the month in which its certificate was issued. Therefore, if a repair station was issued a certificate in May 1995, that repair station must submit its training program to the FAA by May 31, 2 years after the effective date of the final rule. This compliance schedule allows each certificated repair station at least 2 years to develop its program. The FAA adopted this staggered compliance schedule for certificated repair stations to ensure that all training programs are not submitted to the agency at one time. A repair station may submit its training program before the deadline if it chooses to do so.

Subpart E—Operating Rules

Section 145.201 (Proposed § 145.215) Privileges and Limitations of Certificate

Summary of Proposal/Issue: The proposal would have modified current § 145.51 to include references to preventive maintenance and to permit a repair station to arrange for the maintenance, preventive maintenance, or alteration of any article for which it is rated at another organization under its quality control system. The FAA proposed to delete the current references to the performance of 100-hour, annual, or progressive inspections.

In addition, the FAA proposed in paragraph (b)(3) that a repair station could not approve for return to service any experimental aircraft after a major repair or major alteration unless the work was performed in accordance with methods and technical data acceptable to the Administrator.

Comments: Commenters stated that a repair station should have to survey a contractor only if it is not certificated; those commenters noted that contractors that are certificated repair stations will have a quality control system. Commenters also noted that the proposal permitted a repair station to perform work on experimental aircraft, but the FAA has not established what methods and technical data would be considered acceptable to the Administrator. One commenter questioned how the FAA would administer this proposal for the various purposes for which an experimental certificate is issued. Commenters recommended using the word "article" in the final rule where appropriate. One commenter noted that the proposal did not include the provision in current § 145.51 that permitted a repair station to perform maintenance at a place other than the repair station. Another commenter stated that proposed paragraphs (b)(2) and (b)(3) are redundant and should be removed from the final rule.

FAA Response: The FAA has incorporated the word "article," as appropriate, in this section of the final rule. The FAA has adopted paragraph (a)(1) as proposed with minor editorial changes and the addition of the phrase "within the limitations in its operations specifications." As previously noted, this phrase was included in proposed § 145.5(b). That proposed paragraph was not included in the final rule because proposed § 145.5(b) was similar to proposed § 145.215(a)(1), now § 145.201(a)(1), in the final rule. However, because the above-cited phrase was not included in § 145.215(a)(1), it has been included in § 145.201(a)(1) in the final rule.

With regard to paragraph (a)(2), the FAA agrees that a contractor that is certificated under part 145 will have its own quality control system and does not need to be surveyed by the contracting part 145 certificated repair station. Therefore, the final rule provides that a contracting certificated repair station must provide in its contract that a noncertificated person performing a maintenance function must follow a quality control system equivalent to the certificated repair station's system. The FAA notes that it is not enough for the contracting repair station to give its

quality control manual to the noncertificated contractor and assume the proper procedures will be followed. The certificated repair station must provide adequate surveillance to ensure its quality control procedures are followed.

The FAA notes that paragraph (b) is included in the final rule to provide that a certificated repair station may not maintain or alter any article for which it is not rated and may not maintain or alter any article for which it is rated if it requires special technical data, equipment, or facilities that are not available to it. This provision is a current requirement under § 145.53 and was inadvertently omitted from the proposal.

The FAA has adopted paragraph (c) as proposed with minor revisions. In addition to re-designating the paragraph to reflect the addition of paragraph (b) as noted above, the word "applicable" was included before "approved technical data" to clarify that the data must apply to the work performed. Paragraph (c)(3), which addresses major repairs and major alterations of experimental aircraft, includes a reference to § 43.1(b). Section 43.1(b) provides that part 43 applies to experimental aircraft that were previously issued a different kind of airworthiness certificate. The reference to § 43.1(b) in § 145.201(c)(3) clarifies that the paragraph applies to work performed by a repair station on these experimental aircraft as covered by part 43. The FAA agrees with the commenters who expressed concern over the appropriateness of including a provision in part 145 for major repairs or major alterations of all experimental aircraft.

Finally, the FAA notes that work performed away from a repair station is addressed in § 145.203.

Section 145.203 (Proposed § 145.103(c)) Work Performed at Another Location

Summary of Proposal/Issue: The proposal would have addressed work performed at another location in § 145.103(c). The FAA proposed to permit a repair station to perform certain job functions on aircraft at a place other than its fixed location due to special circumstances as determined by the Administrator. The FAA proposed to require that the repair station manual include procedures for the performance of this work.

Comments: Commenters stated that the proposal is too restrictive and current § 145.51(d) should be retained. A commenter recommended permitting the work to be performed on "articles" rather than just "aircraft." A

manufacturer stated that the proposal lacks guidance on how type certificate holders can perform maintenance at locations other than the manufacturer's location. The commenter stated that provisions are needed to define the role of service technicians and engineers who work for type certificate holders and are trained to perform maintenance in the field according to FAA-approved instructions once the limited rating for manufacturers is eliminated. An aircraft manufacturer noted that its customers often request that scheduled inspections be performed at their location. Another commenter stated that the rule should allow scheduled maintenance away from the repair station's location. Commenters stated that work away from the repair station's fixed location should be permitted "as applicable" rather than "as approved by the Administrator."

FAA Response: Because this provision applies to repair station operations, the FAA determined that it should be included in subpart E of part 145. The FAA has revised the final rule to permit work on an "article" rather than an "aircraft."

In response to comments, the FAA has revised this section. This final rule permits a repair station to perform work away from the repair station's location when the work is necessary due to a one-time special circumstance, for example, an aircraft on the ground or in preparation for a ferry flight, as determined by the FAA. The rule also permits work away from a repair station's fixed location when it is necessary to perform such work on a recurring basis, if the repair station's manual includes procedures for accomplishing maintenance, preventive maintenance, alterations, or specialized services at a place other than the repair station's fixed location. This later provision will allow work away from a repair station's fixed location as part of everyday business practices rather than under special circumstances only, as proposed. In response to the manufacturer's concerns, the FAA notes that a manufacturer will need to obtain a part 145 certificate and perform maintenance under this section in accordance with part 43 just as other certificated repair stations are required to do.

Section 145.205 (Proposed § 145.7) Maintenance, Preventive Maintenance, and Alterations Performed for Certificate Holders Under Parts 121, 125, and 135, and for Foreign Air Carriers or Foreign Persons Operating a U.S.-Registered Aircraft in Common Carriage Under Part 129

Summary of Proposal/Issue: The FAA proposed to retain the current requirements for a repair station performing maintenance, preventive maintenance, or alterations for a part 121 operator having a continuous airworthiness maintenance program to comply with the provisions of those parts pertaining to such a program. The proposal would have specifically listed those sections for which compliance is required. The FAA also proposed to revise the current rule by requiring a certificated repair station performing work for an air carrier or commercial operator having a continuous airworthiness maintenance program under part 135 to comply with the sections of that chapter pertaining to the performance of that work.

The proposal also would have addressed work performed for certificate holders operating aircraft under part 125 and for persons operating aircraft under part 129.

Finally, the FAA proposed to establish provisions that would permit a repair station located at a line station for an air carrier certificated under part 121 or part 135, or at a line station for a foreign air carrier or foreign person operating a U.S.-registered aircraft in common carriage, to perform, under certain circumstances, line maintenance on any aircraft of that air carrier or person.

Comments: One association supported the concept contained in this section but recommended the title be revised to delete the reference to required inspections. Some commenters recommended that the FAA revise parts 121 and 135 to require operators to provide maintenance manuals or other reference manuals to the repair station performing the maintenance.

Many commenters opposed the language in proposed § 145.7(a). Several indicated that the proposed language implies that a repair station would have to completely adopt an air carrier's total requirements rather than following only the air carrier's requirements applicable to the work performed. A commenter noted that although a repair station is required to comply with an air carrier's continuous airworthiness maintenance program, it does not necessarily use the same methods or processes. Some commenters were concerned about the

reference to § 121.375, Maintenance and preventive maintenance training programs, and the potential for complications to enforcement actions and individual FAA inspector interpretations.

One commenter stated that the term “manual” in § 145.7(b) should be replaced with “maintenance program.” Regarding § 145.7(d), a few commenters recommended changing the language “a program approved by the Administrator” to “the operator’s program approved by the Administrator,” because the proposed language implies that a program must be approved for the repair station by the Administrator.

Some commenters supported the proposed line maintenance provisions in § 145.7(e). Several commenters opposed the proposal because it would permit a repair station to do line maintenance without meeting all part 145 requirements. One commenter stated that the FAA must adopt a separate performance requirement for line maintenance and clearly delineate the function from the air carrier requirements. Another commenter recommended defining line maintenance for aircraft other than large transport category aircraft and including the line maintenance of part 91 aircraft located within the same geographic region of the controlling FSDO.

FAA Response: The FAA moved proposed § 145.7 to subpart E because it is an operating rule. The FAA has deleted the reference to required inspections from the section title. The FAA agrees that these inspections are part of “maintenance” as defined in § 1.1; therefore, the reference is not necessary.

In response to commenters, the FAA has revised the proposal. References to the various sections in parts 121 and 135 appeared to confuse commenters; the FAA did not intend to impose additional requirements by including those references. With regard to commenters’ requests to require air carriers to provide repair stations with copies of their manuals, such revisions were not proposed and, therefore, are outside the scope of this rulemaking. In addition, the FAA notes that parts 121 and 135 require that maintenance under a continuous airworthiness maintenance program be performed in accordance with the operator’s manual, and it is the operator’s responsibility to ensure the work performed on its behalf is done so in accordance with its approved programs.

The FAA has revised the requirements in proposed § 145.7(d), now § 145.205(c), to require compliance

with the part 129 operators’ FAA-approved maintenance program in response to commenters’ concerns that the repair station had to obtain approval from the FAA.

The final rule includes the provision for line maintenance as proposed except for the requirement that the repair station be located at the line station. The FAA disagrees with commenters who expressed concern that repair stations performing line maintenance will not be required to comply with part 145 and, therefore, the work will not be appropriately performed. The only requirement that repair stations need not comply with when performing line maintenance is § 145.103(b). The repair stations must otherwise comply with part 145 and meet the additional requirements in § 145.205(d). As previously discussed, § 145.3 defines line maintenance. Finally, the FAA notes that the proposal did not address line maintenance performed for part 91 operators and therefore that issue is outside the scope of this rulemaking.

Section 145.207 (Proposed § 145.205) Repair Station Manual

Summary of Proposal/Issue: The FAA proposed to establish a new requirement for a repair station to maintain and use a current, approved repair station manual that would set forth the procedures and policies for the repair station’s operation. It also would have set forth requirements specifying the availability of the repair station manual to repair station personnel. The FAA proposed that a repair station provide its CHDO with a current copy of the manual. If the CHDO’s copy was an electronic version, it would have to be accompanied by a means to access the manual at the CHDO.

Comments: Commenters opposed requiring approval of a repair station manual and requested that the FAA revise the rule to require the manual be acceptable to the Administrator. Commenters noted that an approval process may hamper their ability to be flexible in meeting customer needs. Commenters questioned whether the FAA has the resources for the approval process. Some commenters asked how often manual revisions must be submitted to the CHDO. Other commenters recommended revising the requirement that the manual be submitted in paper or electronic format; some of those commenters suggested using language to allow submission in any media. Two unions stated that the FAA should require that the manual be translated for use in foreign countries so all mechanics and employees can read and understand the manual. One of the

unions stated that the translation should be approved by the FAA. One commenter asked whether having the manual available for personnel in electronic format meets the “readily available” requirement.

FAA Response: The FAA has included in this final rule the requirement that a repair station manual must be acceptable to the FAA. Unlike the approval process, the FAA will not issue any formal approval of the manual or revisions to the manual. However, if the FAA determines that the manual itself or revisions of the manual are not acceptable, the FAA will notify the repair station and the repair station must make appropriate changes to the manual. The FAA notes that the frequency with which a repair station must submit its manual revisions to the FAA is set forth in the procedures required by § 145.209(j).

This final rule requires that a repair station manual be accessible for use by repair station personnel rather than “readily available.” The FAA notes that the manual must be accessible to personnel when the work is being performed; therefore, a manual in a supervisor’s office to which repair station personnel do not have access while work is being performed would not comply with this final rule. The manual may be in any format acceptable to the FAA, including but not limited to paper or electronic format.

With regard to the comment concerning translation of the repair station manual, the FAA notes that such a requirement was not proposed and therefore is outside the scope of this rulemaking.

Section 145.209 (Proposed § 145.207) Repair Station Manual Contents

Summary of Proposal/Issue: In the proposal, the FAA outlined the minimum requirements for a repair station manual. As proposed, the manual would have included an organizational chart of management personnel, a roster of inspection personnel, a description of the facility’s operations, an explanation of its quality assurance system, a description of its training program, procedures for performing work at a location other than the facility, procedures for self-evaluations, a list of the maintenance functions contracted to an outside certificated facility or noncertificated person, procedures for conducting work under proposed § 145.7, a description of the facility’s recordkeeping system, the repair station’s capability list, procedures for updating the capability list, manual revision procedures, and

procedures for changes in location and facilities of the repair station.

Comments: Commenters generally opposed including names of individuals in the organizational chart or the roster of authorized inspection personnel. Commenters stated that a management or inspection personnel change would require a manual revision. Commenters also stated that the organizational chart should contain only functional titles. Commenters suggested that the roster should be maintained separate from the manual.

Some commenters stated that one manual should not include all the proposed items; for example, the quality control procedures could be in a separate manual. A few commenters stated that the term "system" in "quality control system" is too broad and subject to interpretation; one of those commenters noted that the FAA failed to supply examples of a required quality control system.

Commenters also opposed requiring a list of facilities to which the certificated repair station contracts out maintenance functions. Similarly, commenters opposed including the capability list in the manual. Commenters contended that it is not necessary to include a general description of the repair station's operations, including housing, facilities, and equipment, because this information already is provided to the FAA through certification requirements. Commenters also opposed including the training program in the manual. Commenters suggested including only a general description of the program.

Commenters opposed including the procedures for self-evaluation for adding items to a capability list. One commenter stated that there is no precedent for FAA approval of an internal audit program.

Three commenters opposed the requirement to describe the recordkeeping system, because part 43 already defines these requirements. Many commenters opposed the proposed requirement of including procedures for changes to a repair station location or facilities. Commenters stated that procedures for changing location or facilities is already addressed in the regulations and is unrelated to aviation safety.

FAA Response: The FAA has revised the proposal by deleting requirements for the names of specific personnel in the organizational chart; only functional titles will be required. In addition, throughout this section, the FAA has eliminated, where appropriate, requirements to maintain the actual items, such as rosters, capability lists, and names of outside contractors, and

instead requires that procedures for revising this information be set forth in the manual. As with personnel names, much of this information is subject to change and if included in the manual would require frequent manual revisions.

As previously noted, the FAA has removed the quality assurance requirements from the rule; therefore, any references to it have been removed from the manual requirements. The FAA also has removed the quality control system requirements from the manual and has addressed them separately in § 145.211. Requirements relating to the procedures for surveying noncertificated contractors also have been moved to § 145.211(c)(vi) and are discussed later. The FAA has retained the requirement to include procedures for the self-evaluation required to add an article to a repair station's capability list. The FAA has determined that it is important to ensure that an article is added to the list only when the article is within the scope of the ratings and classes of the repair station certificate. The repair station also must have all of the facilities, equipment, materials, technical data, processes, housing, and personnel to perform the work; adequate self-evaluation procedures are a means to achieve this. However, the FAA notes that § 145.215 now makes the use of a capability list optional for repair stations with limited ratings rather than mandatory for all repair stations. Moreover, the FAA notes that the manual, and hence the procedures for self-evaluations, will not require FAA approval but only FAA acceptance.

The FAA disagrees with commenters who opposed including in the manual a general description of repair station operations and its recordkeeping requirements. The FAA has determined that it is important for the repair station to set forth how it operates. In addition, any changes to these operations will be reflected in the most current revision of the manual.

The FAA notes that procedures for revising the training program required by § 145.163 must be included in the manual. However, because the FAA is delaying implementation of the training program, these procedures need not be included in the manual until the repair station is required to have a training program.

The FAA has not included in the final rule the proposed requirement that the manual have procedures for changing the repair station's location and facilities. Section 145.105 adequately addresses this issue.

Unlike the proposal, the final rule does not require that a repair station

manual include a table of contents, list of effective pages, or list of revisions with the date of each revision. To accommodate the technological changes that permit repair stations to maintain and revise their manuals in different formats and manners, the final rule provides that the manual must include a description of the system used to identify and control sections of the repair station manual.

Section 145.211 (Parts of Proposed §§ 145.201, 145.207, and 145.209) Quality Control System

Summary of Proposal/Issue: Proposed § 145.201 would have required a repair station to establish a quality assurance system. The FAA also proposed to continue to require a repair station to have a quality control and inspection system but expanded the scope of the system to include the quality control of any work performed by a contractor. The proposal also would have required these systems to be described in the repair station manual. Proposed § 145.209 would have modified current provisions related to the use of inspection devices and the conduct of inspection procedures. The FAA also proposed to require that a repair station establish specific procedures for the inspection of incoming raw materials and articles, as well as inspection procedures for articles on which contract maintenance or alterations were performed.

Comments: Commenters generally opposed requiring repair stations to implement a quality assurance system. Even commenters who supported the concept of quality assurance stated that the FAA should issue appropriate guidance material on the subject and permit public comment before adopting a final rule. Some commenters cited the cost of external audits; others questioned the impact such a system would have on safety. One association noted that neither air carriers nor production approval holders are required to have quality assurance programs, even though they may be authorized to perform maintenance. Another association stated that part 145 is a quality assurance system, and the FAA has not identified how it has failed. Unions generally supported requiring quality assurance systems. However, even some unions stated that the FAA should define specific and objective standards for quality assurance systems.

With regard to quality control systems, commenters stated that a repair station should not be required to survey certificated contractors or ensure they follow quality control procedures. Many

of those commenters argued that if the contractor is certificated, it will have a quality control system, and it is the FAA's responsibility to survey these repair stations.

Commenters opposed the proposed requirements that repair stations have an incoming inspection of raw materials and articles to ensure conformity with type design data. Those commenters also opposed an inspection of articles on which contract maintenance has been performed to ensure conformity with type design data and that the article is in condition for safe operation. Some commenters noted that a repair station inspection can ensure only that the article is in an airworthy condition and that the work was performed in a manner as prescribed in part 43.

With regard to hidden damage, some commenters stated that an inspector cannot disassemble every part or component to search for such damage. Commenters stated that the rule should require owners/operators to notify the repair station that an article may have been involved in an accident. Another commenter stated that limiting inspections for hidden damage to accident-related parts is inadequate for ensuring safety.

Commenters recommended that inspection personnel requirements be moved to proposed § 145.153. In addition, some commenters stated that inspection personnel should be required to be familiar with only "applicable" methods, techniques, and equipment rather than "all" of those items.

FAA Response: As previously noted, the FAA has not included the proposed requirement for establishing a quality assurance system. The FAA intends to issue a subsequent rulemaking that will address this issue. Comments on Notice No. 99-09 will be considered during that rulemaking process.

The FAA has retained the quality control system requirements and combined the applicable provisions of proposed §§ 145.201, 145.207, and 145.209 in § 145.211 of this final rule.

Section 145.211 requires a repair station to maintain a quality control system acceptable to the FAA that ensures the airworthiness of articles on which the repair station or any of its contractors perform maintenance. This final rule requires the repair station to keep a quality control manual and delineates the items that must be included in that manual. The required items were set forth in various sections of the proposal but primarily in the proposed repair station manual requirements; some of the items also are required to be maintained in the repair station inspection procedures manual

under current § 145.45(f). The FAA determined that it was more appropriate to consolidate all of the provisions relating to quality control into one section. The FAA notes that the quality control manual may be separate from the repair station manual or included with that manual as a separate section or volume.

In this final rule, repair stations that contract maintenance functions to other certificated repair stations will not be required to survey those contractors. The rule requires a certificated repair station to qualify and survey only noncertificated persons who perform maintenance functions for the repair station.

The final rule also requires a repair station to inspect incoming raw materials to ensure acceptable quality and to perform a preliminary inspection of articles that are maintained. The final rule contains the requirement that a repair station have procedures for inspecting for hidden damage to articles involved in accidents.

The FAA agrees that the inspection personnel requirements of the proposal should be moved to subpart D, which addresses personnel requirements. As previously noted, § 145.155 requires that inspectors be familiar with the applicable regulations and the inspection methods, techniques, practices, aids, equipment, and tools used to determine the airworthiness of the article on which the maintenance, preventive maintenance, or alterations are performed. Inspectors also must be proficient in using the various types of inspection equipment and visual inspection aids appropriate for the article being inspected.

Section 145.213 (Proposed § 145.211) Inspection of Maintenance, Preventive Maintenance, or Alterations

Summary of Proposal/Issue: The FAA based this proposed section on the requirements regarding inspection of maintenance, preventive maintenance, or alteration in current § 145.59 and expanded it to address repair stations located outside the United States. The FAA proposed to include current restrictions placed on repair stations located outside the United States and on the supervisory and inspection personnel employed by these repair stations.

Comments: Commenters generally supported the language in proposed § 145.211(a) but indicated that the phrase "aircraft, airframe, aircraft engine, propeller, appliance, and component, or part thereof" should be replaced with the word "article." In addition, many commenters indicated

that the inspector is responsible for determining the airworthiness only of the article on which work was performed rather than the entire aircraft and suggested adding the phrase "with respect to the work performed" to paragraph (b)(2). Other commenters suggested replacing the word "work" in paragraphs (b)(1) and (b)(2) with the phrase "maintenance, preventive maintenance, and alteration." Many commenters indicated the language of proposed § 145.211(c) should be removed because it repeats proposed § 145.153 and is in conflict with the FAA's intention of removing the distinction between domestic repair stations and foreign repair stations. Commenters also indicated that proposed § 145.211(d) should be rewritten to specify that only persons designated by a repair station may sign off on final inspections and maintenance releases for the repair station because designated persons currently sign final inspections and maintenance releases under the repair station's certificate, not their personal certificates.

FAA Response: Except as discussed below, the rule is adopted as proposed. As suggested by a commenter, the FAA has revised the rule to use the word "article" when appropriate. In response to commenters' concerns, the FAA has included language in paragraph (b)(2) to clarify that an inspector must inspect the article on which the repair station has performed work to determine the article to be airworthy "with respect to the work performed." In addition, the FAA has moved the inspection personnel requirements to § 145.155. The FAA agrees that all personnel requirements should be located in subpart D.

Section 145.215 (Proposed § 145.203) Capability List

Summary of Proposal/Issue: The proposal would have required each repair station to prepare and retain a current capability list that contains a list of the articles on which it performs maintenance, preventive maintenance, or alterations. The proposal would have required that these articles be identified by make and model, part number, or other nomenclature designated by the article's manufacturer. The FAA proposed to require that before revising its capability list, a repair station must complete a self-evaluation to ensure it meets all of the requirements for the proposed operations.

Comments: Many commenters opposed the concept of a capability list. The commenters generally stated that creating and maintaining a capability

list would create a significant administrative burden and increase operating costs without enhancing safety. Commenters noted that the capability list is redundant in light of the other requirements in part 145. Some commenters noted that a capability list has merit, but stated that listing each article by make, model, and part number is excessive. Some of those commenters added that the part number should be the basic part number and not include "dash numbers." Some commenters noted that the self-evaluation system is not defined. The commenters indicated that proposed § 145.203(d) should be revised to permit the use of a designee when the accountable manager is unavailable. Some commenters believed paragraph (d) places an unacceptable level of personal liability on the accountable manager and should be deleted. One association stated that a repair station should have to submit only changes to its capability list, not the entire list, and changes should be allowed to be submitted electronically to the FAA.

FAA Response: The FAA has revised the proposed requirements to provide repair stations with only limited ratings the option of using a capability list. If the repair station chooses not to use a capability list, it must perform maintenance, preventive maintenance, or alterations of articles only as listed in its operations specifications. The FAA determined that it would be burdensome for all repair stations to maintain a capability list as proposed. In addition, the FAA finds that repair stations with limited ratings would be more likely to exercise this option. Based on the comments, the FAA recognizes that the use of a capability list is not appropriate for every repair station. The FAA also notes that it never intended to require, for example, repair stations that perform C and D checks on many different airplanes to compile a capability list with every part of every airplane it works on.

For repair stations with limited ratings, the use of a capability list will be less onerous than frequently requesting revisions to their operations specifications and provide regulatory flexibility. The FAA has not included in the final rule the requirement to identify each article by part number. The final rule requires identification by make and model or other nomenclature designated by the article's manufacturer. If a repair station with a limited rating chooses to use a capability list, its operations specifications will not need to be revised each time a new article is added to the list. However, the final rule retains the requirement that a repair

station perform a self-evaluation before adding an article to its capability list. The FAA has determined that such an evaluation is necessary to ensure the repair station has the facilities, equipment, materials, technical data, processes, housing, and trained personnel in place to perform work on that article. The FAA notes that § 145.209 requires a repair station to include in its repair station manual procedures for performing this self-evaluation and reporting the results to the appropriate manager for review and action. The FAA has removed the requirement that the accountable manager must sign the evaluation. However, documentation of the evaluation must be retained on file by the repair station. If the repair station chooses to use a capability list, its manual also must include procedures for revising the capability list and reporting the revisions to the CHDO, including the frequency with which its revisions will be reported. Finally, the FAA notes that the capability list must be maintained in a format acceptable to the FAA; as previously discussed, the use of this language will permit repair stations to maintain the list electronically.

Section 145.217 (Proposed § 145.213) Contract Maintenance

Summary of Proposal/Issue: The FAA proposed to address requirements for repair stations that contract out maintenance functions. The FAA proposed that a repair station could not contract a job function to another certificated repair station or a noncertificated person unless the contracting repair station met the quality control system requirements proposed in §§ 145.201(a)(2) and 145.209(c)(2). The contracting repair station manual must also contain the procedures specified in proposed § 145.207(h), including procedures for surveying that certificated repair station or noncertificated entity. The proposal also would have provided that a certificated repair station may not contract the maintenance, preventive maintenance, or alteration of a complete type-certificated product, and it may not provide only approval for return to service of any article following contract maintenance.

Comments: Many commenters opposed the requirement that a certificated repair station must audit another certificated repair station that performs contract work. Commenters asserted that the FAA already has made a determination that a certificated repair station's quality control and inspection system is adequate when the repair

station is issued a repair station certificate. Commenters added that mandatory audits should be required for noncertificated subcontractors only.

Several commenters opposed some of the requirements regarding job functions contracted to a noncertificated person. Some commenters requested that the term "job function" be changed to "maintenance/job function." One commenter noted that the FAA's use of the terms "certificated repair station," "contracting repair station," and "noncertificated person" is not clear. Furthermore, several commenters noted that the FAA needs to clarify the supervisory role of the repair station.

Many commenters contended that the prohibition against contracting out the maintenance of a complete type-certificated product is unrealistic and would not allow engines to be overhauled or nondestructive testing to be performed. Commenters added that this requirement prohibits a certificated repair station from sending a type-certificated product to the original equipment manufacturer for warranty or factory work. In addition, a foreign authority noted that this requirement may be too restrictive and recommended revising it to make it similar to the requirement in JAR 145. Other commenters noted that this prohibition would be costly to and limit the business flexibility of certificated repair stations.

FAA Response: The FAA agrees that it is not necessary for a certificated repair station to survey another certificated repair station who performs a maintenance function under contract. This final rule does not include that provision. This final rule retains the requirement that a certificated repair station must ensure that a noncertificated person who performs a maintenance function under contract follows a quality control system equivalent to the system followed by the certificated repair station. The certificated repair station also must remain directly in charge of the work and verify, by test or inspection, that the work was performed satisfactorily and that the article is airworthy before approving the article for return to service. The FAA notes that "directly in charge" is defined in § 145.3. The FAA also notes that with regard to the inspection requirement, a repair station is always responsible under § 145.213 for ensuring that an article is inspected and that a determination is made that the article is airworthy.

In addition to the revisions discussed above, the FAA has revised "job function" to read "maintenance function." This section also contains

requirements for information previously proposed for inclusion in the repair station manual, such as the maintenance functions contracted to each outside facility and the name of the facility and the type of certificate and ratings, if any, held by each facility. With respect to contract maintenance, this final rule requires that a repair station manual must contain only the procedures for maintaining and revising this information. The FAA determined that because this information may be subject to frequent revision, it need not be included in the repair station manual. In addition, the final rule provides that the FAA must approve the maintenance function to be contracted to an outside source. The FAA notes that under the proposal, this information would have been included in the repair station manual, which was an approved manual.

With regard to the prohibition against contracting out the maintenance, preventive maintenance, or alteration of a complete type-certificated product, the FAA has clarified these provisions in response to commenters' concerns. The rule now provides that a certificated repair station may not provide only the approval for return to service of a complete type-certificated product following contract maintenance, preventive maintenance, or alterations. As noted in the proposal, this prohibition is intended to preclude "paper only" repair stations.

Section 145.219 (Proposed § 145.217) Recordkeeping

Summary of Proposal/Issue: The FAA based this proposed section on current §§ 145.61 and 145.79. The proposal would have modified the current rule by requiring all repair stations to retain detailed records showing the make, model, identification number, and serial number (when applicable) of the article on which work was performed. The current 2-year record retention requirement was retained; however, the FAA proposed that the period from which this time would be measured would commence on the date on which the article was approved for return to service, instead of the date on which the work was performed. The proposal also would have required that these records include a copy of the maintenance release and that the repair station provide a copy of an article's maintenance release, retrievable in English, to the owner or operator.

In addition, the proposal required that a repair station make available to the Administrator or any authorized representative of the NTSB all maintenance records required to be kept

by proposed § 145.217. The proposed paragraph specified that the records be provided in English.

Finally, the proposal specified those recordkeeping requirements that apply to repair stations located outside the United States.

Comments: Commenters generally opposed the distinction made between repair stations located inside the United States and those located outside the United States, and contended that all similar repair stations should have identical recordkeeping requirements. Some commenters objected to the use of subjective terms, such as "adequate" records, and stated that the FAA should establish an objective minimum standard. A few commenters suggested replacing the word "owner" in proposed paragraph (b) with "customer" or expanding the paragraph to require the repair station to give a copy of the work order to the owner's or operator's agent.

FAA Response: The FAA has revised this section to simplify recordkeeping requirements. This final rule requires a certificated repair station to maintain in English those records that demonstrate compliance with the requirements of part 43. The rule no longer lists any specific records that must be maintained. The rule retains the 2-year retention requirement and the requirement to provide a copy of the maintenance release to the owner or operator of the article. The FAA does not find it necessary to include language in the rule to permit a repair station to give a copy of the maintenance release to the owner or operator's agent. However, the rule does not preclude an owner or operator from making such arrangements between the repair station and the owner or operator of the aircraft. The rule also retains with minor editorial changes the requirement that the records be available for inspection by the FAA and the NTSB.

The rule does not contain separate recordkeeping requirements for repair stations located inside the United States versus those located outside the United States. With regard to records required to be maintained by certificated repair stations located outside the United States, the FAA notes that the recordkeeping requirements do not apply to foreign-registered aircraft operated by foreign operators.

Section 145.221 (Proposed § 145.219) Reports of Failures, Malfunctions, or Defects

Summary of Proposal/Issue: Under current § 145.63 or § 145.79, repair stations are required to submit reports of defects or unairworthy conditions to the

FAA. The FAA proposed to standardize the type of data reported under the service difficulty reporting system by specifically listing the information required when a repair station submits a report.

Current § 145.63(b) states that in cases where filing a report of defects or unairworthy conditions might prejudice the repair station, the repair station shall refer the matter to the Administrator for a determination as to whether a report is necessary. Because such a condition does not appear in other parts of the regulations requiring such reports, the FAA proposed to eliminate this condition.

Comments: One commenter stated that the proposal constitutes an invasion of privacy. One association stated that the FAA should consider the final rule recently published on service difficulty reports when adopting the final rule language for this requirement. That association also requested that the FAA define "serious defect" and "recurring unairworthy condition." The association stated the FAA should make clear that "recurring unairworthy conditions" are those that are not contemplated or covered by data approved by or acceptable to the Administrator. Commenters recommended revising the time for reporting from 72 hours to 96 hours and using "article" where appropriate. Commenters opposed including the name and address of the operator in the report, because the report already includes the registration number, which can be used for obtaining the other information. Other commenters stated that the rule should be revised to ensure only one report is submitted for each service difficulty. One commenter stated that the rule should be expanded to include all part 145 certificated repair stations.

FAA Response: The FAA has revised this section to reflect recent revisions adopted in Amendment Nos. 121–279, 125–35, 135–77, and 145–22, "Service Difficulty Reports" (65 FR 56192, September 15, 2000), including revising any "serious defects" or "other unairworthy condition" to read "failure, malfunction, or defect," and increasing the time period for reporting from 72 hours to 96 hours. The FAA also clarified the reporting requirements proposed in paragraph (b) to require only the registration number of the aircraft rather than the name and address of the operator and to require "time since last overhaul," if applicable.

Section 145.223 (Proposed § 145.221)
FAA Inspections

Summary of Proposal/Issue: The FAA based this proposed section on current § 145.23 and expanded it so the FAA would be able to inspect repair stations' contract maintenance providers. The FAA proposed to require that arrangements for contractors' services include provisions for inspection of the contractor by the FAA.

Comments: Many commenters opposed proposed § 145.221. Several commenters indicated that the language regarding inspecting any contractor is beyond the scope of aviation safety and should be removed. Commenters noted that the FAA already has the right to inspect certificated repair stations; however, the surveillance of noncertificated facilities should be the responsibility of the certificated repair station. Commenters stated that the FAA has no authority over noncertificated facilities that usually are non-aviation suppliers, and the agency has presented no safety reason or justification for inspecting them. Furthermore, several commenters added that this could have a negative economic impact on certificated repair stations. Other commenters noted that the surveillance of noncertificated facilities should be limited to the functions performed for the certificated repair station and are performed only when there is cause and proper notification. In addition, several commenters suggested that the rule should continue to require written notification by the FAA of any inspection findings.

FAA Response: The FAA has revised the proposed requirement to provide that a certificated repair station may not contract for the performance of a maintenance function on an article with a noncertificated person unless it provides in its contract with the noncertificated person that the FAA may make an inspection and observe the performance of the noncertificated person's work on the article. This requirement no longer applies to certificated repair stations that are performing a maintenance function for another certificated repair station because the FAA already has the right to inspect the contract facility.

The final rule also provides that a certificated repair station may not return to service any article on which a maintenance function was performed by a noncertificated person if the noncertificated person does not permit the FAA to make the inspection described in the paragraph above.

With regard to the commenters who opposed the FAA's decision to remove

the current provision that provides that a repair station will be notified in writing of any defects found during an inspection, the FAA notes that this is common FAA practice and need not be specified in regulatory language.

Part 91—General Operating and Flight Rules

Section 91.411 Altimeter System and Altitude Reporting Equipment Tests and Inspections

Summary of Proposal/Issue: The proposal would have revised § 91.411 to reflect the proposed ratings and classes. In addition, the FAA proposed to eliminate the provision relating to the limited rating for manufacturers.

Comments: A foreign air carrier opposed the proposed specialized service rating.

FAA Response: As previously noted, the FAA is not adopting the proposed ratings and classes. However, the final rule amends § 91.411 by removing paragraph (b)(2)(v), which referred to the limited rating for manufacturers.

Section 91.413 ATC Transponder Tests and Inspections

Summary of Proposal/Issue: The proposal would have revised § 91.413 to reflect the proposed ratings and classes. In addition, the FAA proposed to eliminate the provision relating to the limited rating for manufacturers.

Comments: A foreign air carrier opposed the proposed specialized service rating.

FAA Response: As previously noted, the FAA is not adopting the proposed ratings and classes. However, the final rule amends § 91.413 by removing paragraph (c)(1)(iv), which referred to the limited rating for manufacturers.

Appendix A to Part 91 Category II Operations: Manual, Instruments, Equipment, and Maintenance

Summary of Proposal/Issue: The proposal would have revised appendix A to part 91 to reflect the proposed ratings and classes. In addition, the FAA proposed to eliminate the provision relating to the limited rating for manufacturers.

Comments: No comments were received on this proposal.

FAA Response: As previously noted, the FAA is not adopting the proposed ratings and classes. However, the final rule amends appendix A to part 91 by removing paragraph 4(b)(1)(iii), which referred to the limited rating for manufacturers.

Part 121—Operating Requirements: Domestic, Flag, and Supplemental Operations

Special Federal Aviation Regulation No. 36

Summary of Proposal/Issue: The proposal would have revised paragraph 2(c) of this regulation by replacing the reference to current § 145.51 with a reference to proposed § 145.215(b)(2). The FAA also proposed to replace the references to "domestic repair station certificate under 14 CFR part 145" with "repair station certificate under 14 CFR part 145 that is located in the United States."

Comments: No comments were received on this proposal.

FAA Response: The final rule is adopted as proposed except that the reference to proposed § 145.215(b)(2) is revised to § 145.201(c)(2) to correspond to the sections as they appear in this final rule.

Section 121.378 Certificate Requirements

Summary of Proposal/Issue: The FAA proposed to revise this section by replacing "repair stations certificated under the provisions of subpart C of part 145" in paragraph (a) with "a certificated repair station that is located outside the United States" and by changing the word "alteration" to "alterations."

Comments: No comments were received on this proposal.

FAA Response: This section is adopted as proposed.

Section 121.709 Airworthiness Release or Aircraft Log Entry

Summary of Proposal/Issue: The FAA proposed to revise this section by replacing "a repair station certificated under the provisions of subpart C of part 145" in the concluding text of paragraph (b) with "a certificated repair station that is located outside the United States," and by designating that text as paragraph (c). The FAA also proposed to redesignate paragraphs (c) and (d) as paragraphs (d) and (e), respectively.

Comments: No comments were received on this proposal.

FAA Response: This section is adopted as proposed.

Part 135—Operating Requirements: Commuter and On Demand Operations and Rules Governing Persons on Board Such Aircraft

Section 135.435 Certificate Requirements

Summary of Proposal/Issue: The FAA proposed to revise this section by replacing "repair stations certificated

under the provisions of subpart C of part 145" in paragraph (a) with "a certificated repair station that is located outside the United States."

Comments: No comments were received on this proposal.

FAA Response: This section is adopted as proposed.

Section 135.443 Airworthiness Release or Aircraft Maintenance Log Entry

Summary of Proposal/Issue: The FAA proposed to revise this section by replacing "a repair station certificated under the provisions of subpart C of part 145" in the concluding text of paragraph (b) with "a certificated repair station that is located outside the United States," and by designating that text as paragraph (c). The FAA also proposed to re-designate paragraph (c) as paragraph (d).

Comments: No comments were received on this proposal.

FAA Response: This section is adopted as proposed.

Paperwork Reduction Act

This final rule contains information collections that are subject to review by OMB under the Paperwork Reduction Act of 1995 (Pub. L. 104-13). The request for review and approval has

been submitted to OMB. An opportunity for comment on the paperwork portion of this rule was not provided during the NPRM stage. Therefore, there is a 60-day comment period attached to this final rule. The title, description, respondents, and description of the burden are shown below.

Title: Part 145 Review: Repair Stations.

Description: Under current regulations, certificate holders operating under part 145 certificated repair stations are required maintain an inspection procedures manual and comply with recordkeeping requirements. The objective of the amendment to part 145 is to update and revise the regulations for repair stations. The rule reorganizes the requirements applicable to repair stations to reduce duplication of regulatory language and eliminate obsolete information.

The submittal and collection of information required by this part is necessary for (1) issuance of, renewal of, or amendment to repair station certificates and operations specifications, and (2) ensuring that each certificated repair station meets minimum acceptable standards.

Description of Respondents: This rule will constitute several new paperwork

burdens for repair station certificate holders. The FAA notes that the current information collection and recordkeeping requirements were approved under OMB assigned Control Numbers 2121-0003, 2120-0010, and 2120-0571.

Description of Burden: The FAA expects that this rule will affect approximately 5,000 existing repair stations certificated under part 145 and manufacturer's maintenance facilities. The estimated total reporting and recordkeeping burden is 1,801,700 hours and the estimated annual cost to the respondent is \$27,025,500.

The annual cost is determined by estimating the respondent's time required to complete and submit new applications, as well as applying for renewal or amendment to existing certificates. The estimate also includes the average time required to prepare the repair station manual, quality control manual, capability lists, subcontractors listing and training programs. Additionally, it includes the estimated time for respondents to prepare letters of recommendation for repairman, and to maintain records of supervisory and inspection personnel, and to prepare performance records and reports.

Section	Description	Occurrences	Hours	Total cost
\$ 145.51	Application	500	150	\$2,250
\$ 145.51(a)(1)	Repair station Manual	5,000	400,000	6,000,000
\$ 145.51(a)(2)	Quality Control Manual	5,000	200,000	3,000,000
\$ 145.51(a)(3)	List of Articles	5,000	40,000	600,000
\$ 145.51(a)(4)	Organization Chart	5,000	20,000	300,000
\$ 145.51(a)(5)	Description of Facilities	5,000	20,000	600,000
\$ 145.51(a)(6)	List of Functions	5,000	40,000	600,000
\$ 145.105	Changes to Locations	600	1,200	18,000
\$ 145.107	Satellite Repair Stations	600	150	2,225
\$ 145.157	Return to Service Personnel	600	1,200	18,000
\$ 145.161	Records of Management	5,000	20,000	300,000
\$ 145.163	Training Requirements	5,000	200,000	3,000,000
\$ 145.213	Maintenance Records	12,000	48,000	720,000
\$ 145.215	Capability List	3,000	36,000	540,000
\$ 145.219	Recordkeeping	3,000,000	750,000	11,250,000
\$ 145.221	Reports of Defects	2,500	25,000	375,000
Total Burden to Respondents			1,801,700	27,025,500

When an OMB control number is assigned, notification of that number will be published in the **Federal Register**.

International Compatibility

In keeping with U.S. obligations under the Convention on International Civil Aviation, it is FAA policy to comply with International Civil Aviation Organization (ICAO) Standards and Recommended Practices to the maximum extent practicable. The FAA has reviewed the corresponding ICAO

Standards and Recommended Practices and has identified several differences.

ICAO standards (§ 4.2.1.2 (e)) address human performance and limitations for aircraft maintenance license holders. Neither part 145 nor part 65 address human performance and limitations.

ICAO standards (§ 4.2.1.3) have a two-tier approach to mechanic certification. ICAO requires 4 years of experience, or 2 years with the completion of an approved training course. ICAO also allows mechanics to be certificated with restrictions—limiting their work to

certain aircraft or aircraft systems—listed on their licenses. Part 145 requires a minimum of 18 months of experience in order to be authorized to return articles back to service and to obtain certification as a repairman. The final rule mirrors part 65 requirements for certification as a mechanic or repairman that requires 18 months of experience and requires initial and recurrent training for all personnel assigned to perform maintenance, preventative maintenance, alterations, or inspections.

ICAO standards (§ 4.2.2.2) require the privileges of an aircraft maintenance license holder to be annotated on their license. ICAO requires the aircraft, powerplant, or aircraft system, or component make/model be entered on the license. Neither part 145 nor part 65 requires aircraft type, make, model, or aircraft system to be annotated on a mechanic's certificate.

ICAO (§ 8.7.3.2) requires maintenance organizations to establish an independent quality assurance system (QA system) to monitor compliance with and adequacy of the procedures or by providing an inspection system to ensure all maintenance is properly performed. Part 145 does not include provisions for a QA system based on adverse public comments and the lack of FAA guidance for these systems. Although the final rule does not explicitly require a QA system, the rule does include portions of a typical QA system, such as, the self-evaluation (audit) required prior to using capability lists, the addition of a quality control manual, and the inclusion of a maintenance personnel training program.

ICAO (§ 8.7.7.2) requires certain information that constitutes the maintenance release: basic details of the maintenance performed, the date of the maintenance, the identity of the approved maintenance organization, and the identity of the person(s) signing the release. The final rule includes a section for personnel authorized to approve articles for return to service, but does not require all of the information the ICAO standards do. This information usually is required by the repair station's inspection system and is detailed in the repair station manual.

Regulatory Evaluation Summary

Changes to Federal Regulations must undergo several economic analyses. First, Executive Order 12866 directs that each Federal agency shall propose or adopt a regulation only upon a reasoned determination that the benefits of the intended regulation justify its costs. Second, the Regulatory Flexibility Act requires agencies to analyze the economic effect of regulatory changes on small businesses and other small entities. Third, the Office of Management and Budget directs agencies to assess the effect of regulatory changes on international trade. In conducting these analyses, the FAA has determined that this proposed rule: (1) Will generate benefits that justify its costs and is not a "significant regulatory action" as defined in the Executive Order; (2) is not significant as

defined in the Department of Transportation's Regulatory Policies and Procedures; (3) will not have a significant impact on a substantial number of small entities; (4) will not constitute a barrier to international trade; and (5) will not contain any Federal intergovernmental or private sector mandate. These analyses are summarized here in the preamble, and the full Regulatory Evaluation is in the docket.

The Federal Aviation Administration (FAA) is updating and revising the regulations for part 145 repair stations. The final rule is necessary because many of the current repair station regulations do not reflect changes in repair station business practices, advancements in technology, and aircraft maintenance practices. The benefits and costs have been calculated for 13 years.

The estimated quantifiable safety benefits, being difficult to quantify, are calculated based on what the reduction in accidents needs to be in order to equate the discount costs to the discounted safety benefits. If the safety benefits are half of those discussed in the initial regulatory evaluation (6.9 total accidents will be avoided, preventing 2.2 fatalities, 1.7 serious injuries, and 2.7 minor injuries), then the quantifiable safety benefits of the final amendment will be approximately, \$28.5 million in current dollars discounted at 7 percent, over 13 years. On an annual basis (assuming that quantifiable benefits are only one-half of those estimated in the initial regulatory evaluation) an average of 3.4 total accidents will be avoided, preventing 1.1 fatalities, 0.8 serious injuries, and 1.4 minor injuries. The avoidance of 3.4 accidents will avert at a minimum the destruction of at least 2.4 general aviation aircraft and will avert the substantial damage of 0.7 general aviation aircraft. Property damage to other types of aircraft will also be averted.

The estimated net cost of compliance after subtracting cost savings with the final amendment will be \$22.2 million (net of cost savings) in current dollars, discounted at 7 percent, over 13 years. The most costly requirement, section 145.161, Training Requirements, will result in repair stations incurring discounted costs of \$30.5 million. The most cost-saving requirement, the Manufacturer's Service Manual, will result in repair stations saving between \$22.8 and \$45.5 million discounted.

The final rule is not expected to have a significant impact on international trade nor is it expected to have a

significant impact on a substantial number of small firms.

Regulatory Flexibility Determination

The Regulatory Flexibility Act of 1980 (RFA) establishes "as a principle of regulatory issuance that agencies shall endeavor, consistent with the objective of the rule and of applicable statutes, to fit regulatory and informational requirements to the scale of the business, organizations, and governmental jurisdictions subject to regulation." To achieve that principle, the Act requires agencies to solicit and consider flexible regulatory proposals and to explain the rationale for their actions. The Act covers a wide-range of small entities, including small businesses, not-for-profit organizations and small governmental jurisdictions.

Agencies must perform a review to determine whether a proposed or final rule will have a significant economic impact on a substantial number of small entities. If the determination is that it will, the agency must prepare a regulatory flexibility analysis as described in the Act.

However, if an agency determines that a proposed or final rule is not expected to have a significant economic impact on a substantial number of small entities, section 605 (b) of the 1980 act provides that the head of the agency may so certify and a RFA is not required. The certification must include a statement providing the factual basis for this determination, and the reasoning should be clear.

In many cases, the Small Business Administration suggests that "small" represents the impacted entities with an annual revenue of \$5 million or less. For this final rule, a small entity group is defined as aircraft servicing and repairing, except on a factory basis (Standard Industrial Classification Code 4581). At present, it is difficult for the FAA to determine exactly how many of these repair stations have an annual revenue of \$5 million or less but believes that the number is probably large. The FAA found a minimum of 19 repair stations in the World Aviation Directory that meet this definition.

For each of these entities the FAA attempted to find the annual sales from World Aviation Directory 1998, the Net Present Value of Costs, and annualized costs. After calculating the annualized costs accounting for firm size using the same assumptions that were used in the cost section, the FAA then compared the annualized costs with annual sales.

As stated earlier, a minimum of 19 repair stations meet this standard. For the smallest entity listed in table C1, one company with three employees had

sales of \$500,000 and another company with 9 employees had sales of \$300,000. The annualized cost of the final rule is very small in comparison to annual sales of the affected entities—considerably less than 1 percent of their sales. At most, the final rule will impose an annualized cost on one small entity that is approximately 0.1 percent of its annual sales. Therefore, the FAA does not consider the costs imposed by this final rule to have a significant impact on a substantial number of small entities.

Furthermore, the FAA has rewritten several provisions that provide regulatory flexibility, especially for small entities. Two of these provisions relate to capability lists and repair station manuals. In addition, one set of provisions on quality assurance has been deleted from the final rule because of the disproportionate impact on small entities. The following discussion addresses each of these three subjects.

Capability List

The final rule allows for use of a capability list. The use of this list provides regulatory flexibility because it provides repair stations with a limited rating the option not having to always change its operations specifications under the existing rule—a repair station that performs maintenance, preventive maintenance or alterations on articles must do so in accordance with its operations specifications. Under the final rule, a repair station with a limited rating may use a capability list, and will no longer have to revise its operations specifications each time a new article is added to the list (however, the final rule retains the requirement that a repair station perform a self-evaluation before adding an article to its capability list).

For example, existing § 145.11(a)(4) requires that an applicant for a propeller rating (class 2) prepares a list of each propeller for which the repair station seeks approval. Revisions to the current list require FAA approval, which makes timely revisions cumbersome in the dynamic maintenance marketing environment.

The FAA believes that repair stations that choose to use a capability list will incur cost savings. Since the FAA does not know how many repair stations with limited ratings will choose this option or how frequently they will choose this option, it is not possible at this time to quantify the cost savings.

Repair Station Manuals

Based on FAA statistics and information provided by industry that was used in the preliminary regulatory evaluation, repair stations are estimated to employ approximately 12,877

supervisors and at least 13,444 inspectors. These repair stations must maintain approximately 26,321 IPMs. Because of the complexity of many repair stations' operations, the repair stations should document additional aspects of their operations not covered in the current IPM. Therefore, the FAA will eliminate the requirements that repair stations maintain an IPM and replace it with a requirement that repair stations maintain an acceptable quality control and require the repair station to maintain a repair station manual to document operational procedures. Also, the current requirement for all repair stations' supervisory and inspection personnel to each have a copy of the manual has been withdrawn. In the final rule, only 4,625 repair station manuals will be required to be maintained, so the total number of required manuals will be reduced by 21,696. Final § 145.207 will require only that the repair station manual be accessible for use by repair station personnel. Furthermore, the since smaller repair stations do not perform as complex operations as do larger repair stations (due to the number of employees, duties, and responsibilities), the cost for the smaller repair station to revise their IPM and to meet the requirements of final § 145.209 is approximately half that of a larger repair station.

Deletion of Quality Assurance

Proposed § 145.201 required each repair station to establish and maintain a quality assurance system acceptable to the Administrator. The FAA estimated that repair stations were going to incur a total one-time cost of approximately \$1,471,400 and annual costs of approximately \$12,123,200 on this quality assurance system. However, for the final rule, the FAA withdrew this requirement and, therefore, no cost will be incurred by these repair stations for the quality assurance system. As stated in the Preamble, the FAA has removed the quality assurance requirements from the final rule and any references to it have been removed from the manual requirements. The FAA intends to issue a subsequent SNPRM that will address this issue.

The FAA has determined that this final rule will not have a significant impact on a substantial number of small entities. Accordingly, pursuant to the Regulatory Flexibility Act, 5 U.S.C. 605 (b), the Federal Aviation Administration certifies that this rule will not have a significant economic impact on a substantial number of small entities.

International Trade Impact Assessment

The Trade Agreement Act of 1979 prohibits Federal agencies from engaging in any standards or related activities that create unnecessary obstacles to the foreign commerce of the United States. Legitimate domestic objectives, such as safety, are not considered unnecessary obstacles. The statute also requires consideration of international standards and where appropriate, that they be the basis for U.S. standards. In addition, consistent with the Administration's belief in the general superiority and desirability of free trade, it is the policy of the Administration to remove or diminish to the extent feasible, barriers to international trade, including both barriers affecting the export of American goods and services to foreign countries and barriers affecting the import of foreign goods and services into the United States.

The final rule is not expected to affect trade opportunities for U.S. firms doing business overseas or for foreign firms doing business in the United States. Furthermore, the final rule is consistent with the terms of several trade agreements to which the United States is a signatory, such as the Trade Agreement Act of 1979 (19 U.S.C. 2501 et seq.), incorporating the Agreement on Trade in Civil Aircraft (31 U.S.T. 619) and the Agreement on Technical Barriers to Trade (Standards) (19 U.S.C. 2531), as well as the General Agreement on Trade in Services (19 U.S.C. 3511). The revision to part 145 is also consistent with 49 U.S.C. 40105, formerly 1102 (a) of the Federal Aviation Act of 1958, as amended, which requires the FAA to exercise and perform its powers and duties consistently with any obligation assumed by the United States in any agreement that may be in force between the United States and any foreign country or countries.

Unfunded Mandates Reform Act Assessment

The Unfunded Mandates Reform Act of 1995 (the Act), enacted as Public Law 104-4 on March 22, 1995, is intended, among other things, to curb the practice of imposing unfunded Federal mandates on State, local, and tribal governments. Title II of the Act requires each Federal agency to prepare a written statement assessing the effects of any Federal mandate in a proposed or final agency rule that may result in a \$100 million or more expenditure (adjusted annually for inflation) in any one year by State, local, and tribal governments, in the aggregate, or by the private sector; such a mandate

is deemed to be a "significant regulatory action."

These final rule does not meet the cost thresholds described above. Furthermore, this final rule will not impose a significant cost or uniquely affect small governments. Therefore, the requirements of Title II of the Unfunded Mandates Reform Act of 1995 do not apply.

Executive Order 13132, Federalism

The FAA has analyzed this final rule under the principles and criteria of Executive Order 13132, Federalism. We determined that this action will not have a substantial direct effect on the States, or the relationship between the national Government and the States, or on the distribution of power and responsibilities among the various levels of government. Therefore, we determined that this final rule does not have federalism implications.

Plain Language

In response to the June 1, 1998, Presidential Memorandum regarding the use of plain language, the FAA reexamined the writing style currently used in the development of regulations. The memorandum requires Federal agencies to communicate clearly with the public. We are interested in your comments on whether the style of this document is clear, and in any other suggestions you might have to improve the clarity of FAA communications that affect you. You can get more information about the Presidential Memorandum and the plain language initiative at <http://www.plainlanguage.gov>.

Environmental Analysis

FAA Order 1050.1D defines FAA actions that may be categorically excluded from preparation of a National

Environmental Policy Act (NEPA) environmental impact statement. In accordance with FAA Order 1050.1D, appendix 4, paragraph 4(j), this rulemaking action qualifies for a categorical exclusion.

Energy Impact

The energy impact of the notice has been assessed in accordance with the Energy Policy and Conservation Act (EPCA), enacted as Public Law 94-163, as amended (42 U.S.C. 6362), and FAA Order 1053.1. It has been determined that the final rule is not a major regulatory action under the provisions of the EPCA.

Cross Reference Table

To identify where we have located present requirements in the final rule, we have provided the following cross reference table.

CROSS-REFERENCE TABLE

Old section	New section(s)
§ 145.1	§ 145.1
§ 145.2	§ 145.205
§ 145.3	§ 145.5
§ 145.11	§§ 145.51 and 145.53
§ 145.13	§ 145.51
§ 145.15	§§ 145.55 and 145.57
§ 145.17	§ 145.55
§ 145.19	§ 145.5
§ 145.21	§ 145.105
§ 145.23	§ 145.223
§ 145.25	Deleted
§ 145.31	§ 145.59
§ 145.33	§ 145.61
§ 145.35	§ 145.103
§ 145.37	§ 145.103
§ 145.39	§§ 145.151 and 145.153
§ 145.41	§ 145.159
§ 145.43	§ 145.161
§ 145.45	§§ 145.155 and 145.211
§ 145.47	§§ 145.109 and 145.217
§ 145.49	§ 145.109
§ 145.51	§§ 145.107, 145.201, and 145.203
§ 145.53	§ 145.201
§ 145.55	§ 145.101
§ 145.57	§§ 145.109 and 145.201
§ 145.59	§§ 145.157 and 145.213
§ 145.61	§ 145.219
§ 145.63	§ 145.221
§ 145.71	§ 145.51
§ 145.73	§§ 145.53 and 145.201
§ 145.75	§§ 145.151, 145.153, 145.155 and 145.157
§ 145.77	§ 145.201
§ 145.79	§§ 145.219 and 145.221
§ 145.101	Deleted.
§ 145.103	Deleted.
§ 145.105	Deleted.
Appendix A	Deleted.

CROSS-REFERENCE TABLE

New section	Old section(s)
§ 145.1	§ 145.1
§ 145.3	New.

CROSS-REFERENCE TABLE—Continued

New section	Old section(s)
§ 145.5	§ 145.3 and 145.19
§ 145.51	§§ 145.11, 145.13, and 145.71
§ 145.53	§§ 145.11 and 145.73
§ 145.55	§§ 145.15 and 145.17
§ 145.57	§ 145.15
§ 145.59	§ 145.31
§ 145.61	§ 145.33
§ 145.101	§ 145.55
§ 145.103	§§ 145.35 and 145.37
§ 145.105	§ 145.21
§ 145.107	§ 145.51
§ 145.109	§§ 145.47, 145.49, and 145.57
§ 145.151	§§ 145.39 and 145.75
§ 145.153	§§ 145.39 and 145.75
§ 145.155	§§ 145.45 and 145.75
§ 145.157	§§ 145.59 and 145.75
§ 145.159	§ 145.41
§ 145.161	§ 145.43
§ 145.163	New.
§ 145.201	§§ 145.51, 145.53, 145.57, 145.73, and 145.77
§ 145.203	§ 145.51
§ 145.205	§ 145.2
§ 145.207	New.
§ 145.209	New.
§ 145.211	145.45
§ 145.213	145.59
§ 145.215	New.
§ 145.217	145.47
§ 145.219	145.61 and 145.79
§ 145.221	145.63 and 145.79
§ 145.223	145.23

List of Subjects**14 CFR Part 91**

Aircraft, Airworthiness directives and standards, Aviation safety, Safety.

14 CFR Part 121

Aircraft, Airmen, Airplanes, Airworthiness directives and standards, Aviation safety, Safety.

14 CFR Part 135

Aircraft, Airplanes, Airworthiness, Airmen, Aviation safety, Safety.

14 CFR Part 145

Air carriers, Air transportation, Aircraft, Aviation safety, Recordkeeping and reporting, Safety.

The Amendment

In consideration of the foregoing, the Federal Aviation Administration amends parts 91, 121, 135, and 145 of Title 14, Code of Federal Regulations as follows:

PART 91—GENERAL OPERATING AND FLIGHT RULES

1. The authority citation for part 91 continues to read as follows:

Authority: 49 U.S.C. 106(g), 1155, 40103, 40113, 40120, 44101, 44111, 44701, 44709, 44711, 44712, 44715, 44716, 44717, 44722,

46306, 46315, 46316, 46504, 46506–46507, 47122, 47508, 47528–47531; articles 12 and 29 of the Convention on International Civil Aviation (61 stat. 1180).

§ 91.411 [Amended]

2. Amend § 91.411 by removing paragraph (b)(2)(v).

§ 91.413 [Amended]

3. Amend § 91.413 by removing paragraph (c)(1)(iv).

Appendix A to Part 91 [Amended]

4. Amend appendix A to part 91 by removing paragraph 4(b)(1)(iii).

PART 121—OPERATING REQUIREMENTS: DOMESTIC, FLAG, AND SUPPLEMENTAL OPERATIONS

5. The authority citation for part 121 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40113, 40119, 44101, 44701–44702, 44705, 44709–44711, 44713, 44716–44717, 44722, 44901, 44903–44904, 44912, 46105.

6. Amend Special Federal Aviation Regulation No. 36 by revising paragraph (2)(c) to read as follows:

Special Federal Aviation Regulation No. 36

* * * * *

(2) * * *

(c) Contrary provisions of § 145.201(c)(2) notwithstanding, the holder of a repair station certificate under 14 CFR part 145 that is located in the United States may perform a major repair on an article for which it is rated using technical data not approved by the FAA and approve that article for return to service, if authorized in accordance with this Special Federal Aviation Regulation. If the certificate holder holds a rating limited to a component of a product or article, the holder may not, by virtue of this Special Federal Aviation Regulation, approve that product or article for return to service.

* * * * *

7. Amend § 121.378 by revising paragraph (a) to read as follows:

§ 121.378 Certificate requirements.

(a) Except for maintenance, preventive maintenance, alterations, and required inspections performed by a certificated repair station that is located outside the United States, each person who is directly in charge of maintenance, preventive maintenance, or alterations, and each person performing required inspections must hold an appropriate airman certificate.

* * * * *

8. Amend § 121.709 by revising paragraph (b); redesignating paragraphs (c) and (d) as paragraphs (d) and (e), respectively, and adding a new

paragraph (c), and revising redesignated paragraphs (d) and (e) to read as follows:

§ 121.709 Airworthiness release or aircraft log entry.

* * * * *

(b) The airworthiness release or log entry required by paragraph (a) of this section must—

(1) Be prepared in accordance with the procedures set forth in the certificate holder's manual;

(2) Include a certification that—

(i) The work was performed in accordance with the requirements of the certificate holder's manual;

(ii) All items required to be inspected were inspected by an authorized person who determined that the work was satisfactorily completed;

(iii) No known condition exists that would make the airplane unairworthy; and

(iv) So far as the work performed is concerned, the aircraft is in condition for safe operation; and

(3) Be signed by an authorized certificated mechanic or repairman except that a certificated repairman may sign the release or entry only for the work for which he is employed and certificated.

(c) Notwithstanding paragraph (b)(3) of this section, after maintenance, preventive maintenance, or alterations performed by a repair station that is located outside the United States, the airworthiness release or log entry required by paragraph (a) of this section may be signed by a person authorized by that repair station.

(d) When an airworthiness release form is prepared the certificate holder must give a copy to the pilot in command and must keep a record thereof for at least 2 months.

(e) Instead of restating each of the conditions of the certification required by paragraph (b) of this section, the air carrier may state in its manual that the signature of an authorized certificated mechanic or repairman constitutes that certification.

PART 135—OPERATING REQUIREMENTS: COMMUTER AND ON-DEMAND OPERATIONS AND RULES GOVERNING PERSONS ON BOARD SUCH AIRCRAFT

9. The authority citation for part 135 continues to read as follows:

Authority: 49 U.S.C. 106(g), 44113, 44701–44702, 44705, 44709, 44711–44713, 44715–44717, 44722.

10. Amend § 135.435 by revising paragraph (a) to read as follows:

§ 135.435 Certificate requirements.

(a) Except for maintenance, preventive maintenance, alterations, and required inspections performed by a certificated repair station that is located outside the United States, each person who is directly in charge of maintenance, preventive maintenance, or alterations, and each person performing required inspections must hold an appropriate airman certificate.

* * * * *

11. Amend § 135.443 paragraph (b), redesignating paragraph (c) as paragraph (d) and revising it, and adding a new paragraph (c) to read as follows:

§ 135.443 Airworthiness release or aircraft maintenance log entry.

* * * * *

(b) The airworthiness release or log entry required by paragraph (a) of this section must—

(1) Be prepared in accordance with the procedure in the certificate holder's manual;

(2) Include a certification that—

(i) The work was performed in accordance with the requirements of the certificate holder's manual;

(ii) All items required to be inspected were inspected by an authorized person who determined that the work was satisfactorily completed;

(iii) No known condition exists that would make the aircraft unairworthy; and

(iv) So far as the work performed is concerned, the aircraft is in condition for safe operation; and

(3) Be signed by an authorized certificated mechanic or repairman, except that a certificated repairman may sign the release or entry only for the work for which that person is employed and for which that person is certificated.

(c) Notwithstanding paragraph (b)(3) of this section, after maintenance, preventive maintenance, or alterations performed by a repair station located outside the United States, the airworthiness release or log entry required by paragraph (a) of this section may be signed by a person authorized by that repair station.

(d) Instead of restating each of the conditions of the certification required by paragraph (b) of this section, the certificate holder may state in its manual that the signature of an authorized certificated mechanic or repairman constitutes that certification.

12. Amend part 145 as follows:

A. The authority citation continues to read:

Authority: 49 U.S.C. 106(g), 40113, 44701–44702, 44707, 44717.

B. By removing Appendix A.

C. By revising subparts A through D to read as follows (SFAR No. 36 Note remains unchanged):

PART 145—REPAIR STATIONS

* * * * *

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* * * * *

Subpart A—General**§ 145.1 Applicability.**

This part describes how to obtain a repair station certificate. This part also contains the rules a certificated repair station must follow related to its performance of maintenance, preventive maintenance, or alterations of an aircraft, airframe, aircraft engine, propeller, appliance, or component part to which part 43 applies. It also applies to any person who holds, or is required to hold, a repair station certificate issued under this part.

§ 145.3 Definition of terms.

For the purposes of this part, the following definitions apply:

(a) *Accountable manager* means the person designated by the certificated repair station who is responsible for and has the authority over all repair station operations that are conducted under part 145, including ensuring that repair station personnel follow the regulations and serving as the primary contact with the FAA.

(b) *Article* means an aircraft, airframe, aircraft engine, propeller, appliance, or component part.

(c) *Directly in charge* means having the responsibility for the work of a certificated repair station that performs maintenance, preventive maintenance, alterations, or other functions affecting aircraft airworthiness. A person directly in charge does not need to physically observe and direct each worker constantly but must be available for consultation on matters requiring instruction or decision from higher authority.

(d) *Line maintenance means—*

(1) Any unscheduled maintenance resulting from unforeseen events; or

(2) Scheduled checks that contain servicing and/or inspections that do not require specialized training, equipment, or facilities.

§ 145.5 Certificate and operations specifications requirements.

(a) No person may operate as a certificated repair station without, or in violation of, a repair station certificate, ratings, or operations specifications issued under this part.

(b) The certificate and operations specifications issued to a certificated repair station must be available on the premises for inspection by the public and the FAA.

Subpart B—Certification**§ 145.51 Application for certificate.**

(a) An application for a repair station certificate and rating must be made in

a format acceptable to the FAA and must include the following:

(1) A repair station manual acceptable to the FAA as required by § 145.207;

(2) A quality control manual acceptable to the FAA as required by § 145.211(c);

(3) A list by type, make, or model, as appropriate, of each article for which the application is made;

(4) An organizational chart of the repair station and the names and titles of managing and supervisory personnel;

(5) A description of the housing and facilities, including the physical address, in accordance with § 145.103;

(6) A list of the maintenance functions, for approval by the FAA, to be performed for the repair station under contract by another person in accordance with § 145.217; and

(7) A training program for approval by the FAA in accordance with § 145.163.

(b) The equipment, personnel, technical data, and housing and facilities required for the certificate and rating, or for an additional rating must be in place for inspection at the time of certification or rating approval by the FAA. An applicant may meet the equipment requirement of this paragraph if the applicant has a contract acceptable to the FAA with another person to make the equipment available to the applicant at the time of certification and at any time that it is necessary when the relevant work is being performed by the repair station.

(c) In addition to meeting the other applicable requirements for a repair station certificate and rating, an applicant for a repair station certificate and rating located outside the United States must meet the following requirements:

(1) The applicant must show that the repair station certificate and/or rating is necessary for maintaining or altering the following:

(i) U.S.-registered aircraft and articles for use on U.S.-registered aircraft, or

(ii) Foreign-registered aircraft operated under the provisions of part 121 or part 135, and articles for use on these aircraft.

(2) The applicant must show that the fee prescribed by the FAA has been paid.

(d) An application for an additional rating, amended repair station certificate, or renewal of a repair station certificate must be made in a format acceptable to the FAA. The application must include only that information necessary to substantiate the change or renewal of the certificate.

§ 145.53 Issue of certificate.

(a) Except as provided in paragraph (b) of this section, a person who meets

the requirements of this part is entitled to a repair station certificate with appropriate ratings prescribing such operations specifications and limitations as are necessary in the interest of safety.

(b) If the person is located in a country with which the United States has a bilateral aviation safety agreement, the FAA may find that the person meets the requirements of this part based on a certification from the civil aviation authority of that country. This certification must be made in accordance with implementation procedures signed by the Administrator or the Administrator's designee.

§ 145.55 Duration and renewal of certificate.

(a) A certificate or rating issued to a repair station located in the United States is effective from the date of issue until the repair station surrenders it or the FAA suspends or revokes it.

(b) A certificate or rating issued to a repair station located outside the United States is effective from the date of issue until the last day of the 12th month after the date of issue unless the repair station surrenders the certificate or the FAA suspends or revokes it. The FAA may renew the certificate or rating for 24 months if the repair station has operated in compliance with the applicable requirements of part 145 within the preceding certificate duration period.

(c) A certificated repair station located outside the United States that applies for a renewal of its repair station certificate must—

(1) Submit its request for renewal no later than 30 days before the repair station's current certificate expires. If a request for renewal is not made within this period, the repair station must follow the application procedures in § 145.51.

(2) Send its request for renewal to the FAA office that has jurisdiction over the certificated repair station.

(d) The holder of an expired, surrendered, suspended, or revoked certificate must return it to the FAA.

§ 145.57 Amendment to or transfer of certificate.

(a) The holder of a repair station certificate must apply for a change to its certificate in a format acceptable to the FAA. A change to the certificate is necessary if the certificate holder—

(1) Changes the location of the repair station, or

(2) Requests to add or amend a rating.

(b) If the holder of a repair station certificate sells or transfers its assets, the new owner must apply for an amended certificate in accordance with § 145.51.

§ 145.59 Ratings.

The following ratings are issued under this subpart:

(a) Airframe ratings.

(1) *Class 1:* Composite construction of small aircraft.

(2) *Class 2:* Composite construction of large aircraft.

(3) *Class 3:* All-metal construction of small aircraft.

(4) *Class 4:* All-metal construction of large aircraft.

(b) Powerplant ratings.

(1) *Class 1:* Reciprocating engines of 400 horsepower or less.

(2) *Class 2:* Reciprocating engines of more than 400 horsepower.

(3) *Class 3:* Turbine engines.

(c) Propeller ratings.

(1) *Class 1:* Fixed-pitch and ground-adjustable propellers of wood, metal, or composite construction.

(2) *Class 2:* Other propellers, by make.

(d) Radio ratings.

(1) *Class 1:* Communication equipment. Radio transmitting and/or receiving equipment used in an aircraft to send or receive communications in flight, regardless of carrier frequency or type of modulation used. This equipment includes auxiliary and related aircraft interphone systems, amplifier systems, electrical or electronic intercrew signaling devices, and similar equipment. This equipment does not include equipment used for navigating or aiding navigation of aircraft, equipment used for measuring altitude or terrain clearance, other measuring equipment operated on radio or radar principles, or mechanical, electrical, gyroscopic, or electronic instruments that are a part of communications radio equipment.

(2) *Class 2:* Navigational equipment. A radio system used in an aircraft for en route or approach navigation. This does not include equipment operated on radar or pulsed radio frequency principles, or equipment used for measuring altitude or terrain clearance.

(3) *Class 3:* Radar equipment. An aircraft electronic system operated on radar or pulsed radio frequency principles.

(e) Instrument ratings.

(1) *Class 1:* Mechanical. A diaphragm, bourdon tube, aneroid, optical, or mechanically driven centrifugal instrument used on aircraft or to operate aircraft, including tachometers, airspeed indicators, pressure gauges drift sights, magnetic compasses, altimeters, or similar mechanical instruments.

(2) *Class 2:* Electrical. Self-synchronous and electrical-indicating instruments and systems, including remote indicating instruments, cylinder head temperature gauges, or similar electrical instruments.

(3) *Class 3:* Gyroscopic. An instrument or system using gyroscopic principles and motivated by air pressure or electrical energy, including automatic pilot control units, turn and bank indicators, directional gyros, and their parts, and flux gate and gyrosyn compasses.

(4) *Class 4:* Electronic. An instrument whose operation depends on electron tubes, transistors, or similar devices, including capacitance type quantity gauges, system amplifiers, and engine analyzers.

(f) Accessory ratings.

(1) *Class 1:* A mechanical accessory that depends on friction, hydraulics, mechanical linkage, or pneumatic pressure for operation, including aircraft wheel brakes, mechanically driven pumps, carburetors, aircraft wheel assemblies, shock absorber struts and hydraulic servo units.

(2) *Class 2:* An electrical accessory that depends on electrical energy for its operation, and a generator, including starters, voltage regulators, electric motors, electrically driven fuel pumps magnetos, or similar electrical accessories.

(3) *Class 3:* An electronic accessory that depends on the use of an electron tube transistor, or similar device, including supercharger, temperature, air conditioning controls, or similar electronic controls.

§ 145.61 Limited ratings.

(a) The FAA may issue a limited rating to a certificated repair station that maintains or alters only a particular type of airframe, powerplant, propeller, radio, instrument, or accessory, or part thereof, or performs only specialized maintenance requiring equipment and skills not ordinarily performed under other repair station ratings. Such a rating may be limited to a specific model aircraft, engine, or constituent part, or to any number of parts made by a particular manufacturer.

(b) The FAA issues limited ratings for—

(1) Airframes of a particular make and model;

(2) Engines of a particular make and model;

(3) Propellers of a particular make and model;

(4) Instruments of a particular make and model;

(5) Radio equipment of a particular make and model;

(6) Accessories of a particular make and model;

(7) Landing gear components;

(8) Floats, by make;

(9) Nondestructive inspection, testing, and processing;

(10) Emergency equipment;

(11) Rotor blades, by make and model; and

(12) Aircraft fabric work.

(c) For a limited rating for specialized services, the operations specifications of the repair station must contain the specification used to perform the specialized service. The specification may be—

(1) A civil or military specification currently used by industry and approved by the FAA, or

(2) A specification developed by the applicant and approved by the FAA.

Subpart C—Housing, Facilities, Equipment, Materials, and Data**§ 145.101 General.**

A certificated repair station must provide housing, facilities, equipment, materials, and data that meet the applicable requirements for the issuance of the certificate and ratings the repair station holds.

§ 145.103 Housing and facilities requirements.

(a) Each certificated repair station must provide—

(1) Housing for the facilities, equipment, materials, and personnel consistent with its ratings.

(2) Facilities for properly performing the maintenance, preventive maintenance, or alterations of articles or the specialized services for which it is rated. Facilities must include the following:

(i) Sufficient work space and areas for the proper segregation and protection of articles during all maintenance, preventive maintenance, or alterations;

(ii) Segregated work areas enabling environmentally hazardous or sensitive operations such as painting, cleaning, welding, avionics work, electronic work, and machining to be done properly and in a manner that does not adversely affect other maintenance or alteration articles or activities;

(iii) Suitable racks, hoists, trays, stands, and other segregation means for the storage and protection of all articles undergoing maintenance, preventive maintenance, or alterations;

(iv) Space sufficient to segregate articles and materials stocked for installation from those articles undergoing maintenance, preventive maintenance, or alterations; and

(v) Ventilation, lighting, and control of temperature, humidity, and other climatic conditions sufficient to ensure personnel perform maintenance, preventive maintenance, or alterations to the standards required by this part.

(b) A certificated repair station with an airframe rating must provide suitable

permanent housing to enclose the largest type and model of aircraft listed on its operations specifications.

(c) A certificated repair station may perform maintenance, preventive maintenance, or alterations on articles outside of its housing if it provides suitable facilities that are acceptable to the FAA and meet the requirements of § 145.103(a) so that the work can be done in accordance with the requirements of part 43 of this chapter.

§ 145.105 Change of location, housing, or facilities.

(a) A certificated repair station may not change the location of its housing without written approval from the FAA.

(b) A certificated repair station may not make any changes to its housing or facilities required by § 145.103 that could have a significant effect on its ability to perform the maintenance, preventive maintenance, or alterations under its repair station certificate and operations specifications without written approval from the FAA.

(c) The FAA may prescribe the conditions, including any limitations, under which a certificated repair station must operate while it is changing its location, housing, or facilities.

§ 145.107 Satellite repair stations.

(a) A certificated repair station under the managerial control of another certificated repair station may operate as a satellite repair station with its own certificate issued by the FAA. A satellite repair station—

(1) May not hold a rating not held by the certificated repair station with managerial control;

(2) Must meet the requirements for each rating it holds;

(3) Must submit a repair station manual acceptable to the FAA as required by § 145.207; and

(4) Must submit a quality control manual acceptable to the FAA as required by § 145.211(c).

(b) Unless the FAA indicates otherwise, personnel and equipment from the certificated repair station with managerial control and from each of the satellite repair stations may be shared. However, inspection personnel must be designated for each satellite repair station and available at the satellite repair station any time a determination of airworthiness or return to service is made. In other circumstances, inspection personnel may be away from the premises but must be available by telephone, radio, or other electronic means.

(c) A satellite repair station may not be located in a country other than the domicile country of the certificated repair station with managerial control.

§ 145.109 Equipment, materials, and data requirements.

(a) Except as otherwise prescribed by the FAA, a certificated repair station must have the equipment, tools, and materials necessary to perform the maintenance, preventive maintenance, or alterations under its repair station certificate and operations specifications in accordance with part 43. The equipment, tools, and material must be located on the premises and under the repair station's control when the work is being done.

(b) A certificated repair station must ensure all test and inspection equipment and tools used to make airworthiness determinations on articles are calibrated to a standard acceptable to the FAA.

(c) The equipment, tools, and material must be those recommended by the manufacturer of the article or must be at least equivalent to those recommended by the manufacturer and acceptable to the FAA.

(d) A certificated repair station must maintain, in a format acceptable to the FAA, the documents and data required for the performance of maintenance, preventive maintenance, or alterations under its repair station certificate and operations specifications in accordance with part 43. The following documents and data must be current and accessible when the relevant work is being done:

- (1) Airworthiness directives,
- (2) Instructions for continued airworthiness,
- (3) Maintenance manuals,
- (4) Overhaul manuals,
- (5) Standard practice manuals,
- (6) Service bulletins, and
- (7) Other applicable data acceptable to or approved by the FAA.

Subpart D—Personnel

§ 145.151 Personnel requirements.

Each certificated repair station must—

(a) Designate a repair station employee as the accountable manager;

(b) Provide qualified personnel to plan, supervise, perform, and approve for return to service the maintenance, preventive maintenance, or alterations performed under the repair station certificate and operations specifications;

(c) Ensure it has a sufficient number of employees with the training or knowledge and experience in the performance of maintenance, preventive maintenance, or alterations authorized by the repair station certificate and operations specifications to ensure all work is performed in accordance with part 43; and

(d) Determine the abilities of its noncertificated employees performing

maintenance functions based on training, knowledge, experience, or practical tests.

§ 145.153 Supervisory personnel requirements.

(a) A certificated repair station must ensure it has a sufficient number of supervisors to direct the work performed under the repair station certificate and operations specifications. The supervisors must oversee the work performed by any individuals who are unfamiliar with the methods, techniques, practices, aids, equipment, and tools used to perform the maintenance, preventive maintenance, or alterations.

(b) Each supervisor must—

(1) If employed by a repair station located inside the United States, be certificated under part 65.

(2) If employed by a repair station located outside the United States—

(i) Have a minimum of 18 months of practical experience in the work being performed; or

(ii) Be trained in or thoroughly familiar with the methods, techniques, practices, aids, equipment, and tools used to perform the maintenance, preventive maintenance, or alterations.

(c) A certificated repair station must ensure its supervisors understand, read, and write English.

§ 145.155 Inspection personnel requirements.

(a) A certificated repair station must ensure that persons performing inspections under the repair station certificate and operations specifications are—

(1) Thoroughly familiar with the applicable regulations in this chapter and with the inspection methods, techniques, practices, aids, equipment, and tools used to determine the airworthiness of the article on which maintenance, preventive maintenance, or alterations are being performed; and

(2) Proficient in using the various types of inspection equipment and visual inspection aids appropriate for the article being inspected; and

(b) A certificated repair station must ensure its inspectors understand, read, and write English.

§ 145.157 Personnel authorized to approve an article for return to service.

(a) A certificated repair station located inside the United States must ensure each person authorized to approve an article for return to service under the repair station certificate and operations specifications is certificated under part 65.

(b) A certificated repair station located outside the United States must

ensure each person authorized to approve an article for return to service under the repair station certificate and operations specifications is—

(1) Trained in or has 18 months practical experience with the methods, techniques, practices, aids, equipment, and tools used to perform the maintenance, preventive maintenance, or alterations; and

(2) Thoroughly familiar with the applicable regulations in this chapter and proficient in the use of the various inspection methods, techniques, practices, aids, equipment, and tools appropriate for the work being performed and approved for return to service.

(c) A certificated repair station must ensure each person authorized to approve an article for return to service understands, reads, and writes English.

§ 145.159 Recommendation of a person for certification as a repairman.

A certificated repair station that chooses to use repairmen to meet the applicable personnel requirements of this part must certify in a format acceptable to the FAA that each person recommended for certification as a repairman—

(a) Is employed by the repair station, and

(b) Meets the eligibility requirements of § 65.101.

§ 145.161 Records of management, supervisory, and inspection personnel.

(a) A certificated repair station must maintain and make available in a format acceptable to the FAA the following:

(1) A roster of management and supervisory personnel that includes the names of the repair station officials who are responsible for its management and the names of its supervisors who oversee maintenance functions.

(2) A roster with the names of all inspection personnel.

(3) A roster of personnel authorized to sign a maintenance release for approving a maintained or altered article for return to service.

(4) A summary of the employment of each individual whose name is on the personnel rosters required by paragraphs (a)(1) through (a)(3) of this section. The summary must contain enough information on each individual listed on the roster to show compliance with the experience requirements of this part and must include the following:

(i) Present title,

(ii) Total years of experience and the type of maintenance work performed,

(iii) Past relevant employment with names of employers and periods of employment,

(iv) Scope of present employment, and

(v) The type of mechanic or repairman certificate held and the ratings on that certificate, if applicable.

(b) Within 5 business days of the change, the rosters required by this section must reflect changes caused by termination, reassignment, change in duties or scope of assignment, or addition of personnel.

§ 145.163 Training requirements.

(a) A certificated repair station must have an employee training program approved by the FAA that consists of initial and recurrent training. For purposes of meeting the requirements of this paragraph, beginning April 6, 2005—

(1) An applicant for a repair station certificate must submit a training program for approval by the FAA as required by § 145.51(a)(7).

(2) A repair station certificated before that date must submit its training program to the FAA for approval by the last day of the month in which its repair station certificate was issued.

(b) The training program must ensure each employee assigned to perform maintenance, preventive maintenance, or alterations, and inspection functions is capable of performing the assigned task.

(c) A certificated repair station must document, in a format acceptable to the FAA, the individual employee training required under paragraph (a) of this section. These training records must be retained for a minimum of 2 years.

(d) A certificated repair station must submit revisions to its training program to its certificate holding district office in accordance with the procedures required by § 145.209(e).

Subpart E—Operating Rules

§ 145.201 Privileges and limitations of certificate.

(a) A certificated repair station may—

(1) Perform maintenance, preventive maintenance, or alterations in accordance with part 43 on any article for which it is rated and within the limitations in its operations specifications.

(2) Arrange for another person to perform the maintenance, preventive maintenance, or alterations of any article for which the certificated repair station is rated. If that person is not certificated under part 145, the certificated repair station must ensure that the noncertificated person follows a quality control system equivalent to the system followed by the certificated repair station.

(3) Approve for return to service any article for which it is rated after it has performed maintenance, preventive maintenance, or an alteration in accordance with part 43.

(b) A certificated repair station may not maintain or alter any article for which it is not rated, and may not maintain or alter any article for which it is rated if it requires special technical data, equipment, or facilities that are not available to it.

(c) A certificated repair station may not approve for return to service—

(1) Any article unless the maintenance, preventive maintenance, or alteration was performed in accordance with the applicable approved technical data or data acceptable to the FAA.

(2) Any article after a major repair or major alteration unless the major repair or major alteration was performed in accordance with applicable approved technical data; and

(3) Any experimental aircraft after a major repair or major alteration performed under § 43.1(b) unless the major repair or major alteration was performed in accordance with methods and applicable technical data acceptable to the FAA.

§ 145.203 Work performed at another location.

A certificated repair station may temporarily transport material, equipment, and personnel needed to perform maintenance, preventive maintenance, alterations, or certain specialized services on an article for which it is rated to a place other than the repair station's fixed location if the following requirements are met:

(a) The work is necessary due to a special circumstance, as determined by the FAA; or

(b) It is necessary to perform such work on a recurring basis, and the repair station's manual includes the procedures for accomplishing maintenance, preventive maintenance, alterations, or specialized services at a place other than the repair station's fixed location.

§ 145.205 Maintenance, preventive maintenance, and alterations performed for certificate holders under parts 121, 125, and 135, and for foreign air carriers or foreign persons operating a U.S.-registered aircraft in common carriage under part 129.

(a) A certificated repair station that performs maintenance, preventive maintenance, or alterations for an air carrier or commercial operator that has a continuous airworthiness maintenance program under part 121 or part 135 must follow the air carrier's or commercial operator's program and

applicable sections of its maintenance manual.

(b) A certificated repair station that performs inspections for a certificate holder conducting operations under part 125 must follow the operator's FAA-approved inspection program.

(c) A certificated repair station that performs maintenance, preventive maintenance, or alterations for a foreign air carrier or foreign person operating a U.S.-registered aircraft under part 129 must follow the operator's FAA-approved maintenance program.

(d) Notwithstanding the housing requirement of § 145.103(b), the FAA may grant approval for a certificated repair station to perform line maintenance for an air carrier certificated under part 121 or part 135, or a foreign air carrier or foreign person operating a U.S.-registered aircraft in common carriage under part 129 on any aircraft of that air carrier or person, provided—

(1) The certificated repair station performs such line maintenance in accordance with the operator's manual, if applicable, and approved maintenance program;

(2) The certificated repair station has the necessary equipment, trained personnel, and technical data to perform such line maintenance; and

(3) The certificated repair station's operations specifications include an authorization to perform line maintenance.

§ 145.207 Repair station manual.

(a) A certificated repair station must prepare and follow a repair station manual acceptable to the FAA.

(b) A certificated repair station must maintain a current repair station manual.

(c) A certificated repair station's current repair station manual must be accessible for use by repair station personnel required by subpart D of this part.

(d) A certificated repair station must provide to its certificate holding district office the current repair station manual in a format acceptable to the FAA.

(e) A certificated repair station must notify its certificate holding district office of each revision of its repair station manual in accordance with the procedures required by § 145.209(j).

§ 145.209 Repair station manual contents.

A certificated repair station's manual must include the following:

(a) An organizational chart identifying—

(1) Each management position with authority to act on behalf of the repair station,

(2) The area of responsibility assigned to each management position, and

(3) The duties, responsibilities, and authority of each management position;

(b) Procedures for maintaining and revising the rosters required by § 145.161;

(c) A description of the certificated repair station's operations, including the housing, facilities, equipment, and materials as required by subpart C of this part;

(d) Procedures for—

(1) Revising the capability list provided for in § 145.215 and notifying the certificate holding district office of revisions to the list, including how often the certificate holding district office will be notified of revisions; and

(2) The self-evaluation required under § 145.215(c) for revising the capability list, including methods and frequency of such evaluations, and procedures for reporting the results to the appropriate manager for review and action;

(e) Procedures for revising the training program required by § 145.163 and submitting revisions to the certificate holding district office for approval;

(f) Procedures to govern work

performed at another location in accordance with § 145.203;

(g) Procedures for maintenance, preventive maintenance, or alterations performed under § 145.205;

(h) Procedures for—

(1) Maintaining and revising the contract maintenance information required by § 145.217(a)(2)(i), including submitting revisions to the certificate holding district office for approval; and

(2) Maintaining and revising the contract maintenance information required by § 145.217(a)(2)(ii) and notifying the certificate holding district office of revisions to this information, including how often the certificate holding district office will be notified of revisions;

(i) A description of the required records and the recordkeeping system used to obtain, store, and retrieve the required records;

(j) Procedures for revising the repair station's manual and notifying its certificate holding district office of revisions to the manual, including how often the certificate holding district office will be notified of revisions; and

(k) A description of the system used to identify and control sections of the repair station manual.

§ 145.211 Quality control system.

(a) A certificated repair station must establish and maintain a quality control system acceptable to the FAA that ensures the airworthiness of the articles on which the repair station or any of its

contractors performs maintenance, preventive maintenance, or alterations.

(b) Repair station personnel must follow the quality control system when performing maintenance, preventive maintenance, or alterations under the repair station certificate and operations specifications.

(c) A certificated repair station must prepare and keep current a quality control manual in a format acceptable to the FAA that includes the following:

(1) A description of the system and procedures used for—

(i) Inspecting incoming raw materials to ensure acceptable quality;

(ii) Performing preliminary inspection of all articles that are maintained;

(iii) Inspecting all articles that have been involved in an accident for hidden damage before maintenance, preventive maintenance, or alteration is performed;

(iv) Establishing and maintaining proficiency of inspection personnel;

(v) Establishing and maintaining current technical data for maintaining articles;

(vi) Qualifying and surveilling noncertificated persons who perform maintenance, prevention maintenance, or alterations for the repair station;

(vii) Performing final inspection and return to service of maintained articles;

(viii) Calibrating measuring and test equipment used in maintaining articles, including the intervals at which the equipment will be calibrated; and

(ix) Taking corrective action on deficiencies;

(2) References, where applicable, to the manufacturer's inspection standards for a particular article, including reference to any data specified by that manufacturer;

(3) A sample of the inspection and maintenance forms and instructions for completing such forms or a reference to a separate forms manual; and

(4) Procedures for revising the quality control manual required under this section and notifying the certificate holding district office of the revisions, including how often the certificate holding district office will be notified of revisions.

(d) A certificated repair station must notify its certificate holding district office of revisions to its quality control manual.

§ 145.213 Inspection of maintenance, preventive maintenance, or alterations.

(a) A certificated repair station must inspect each article upon which it has performed maintenance, preventive maintenance, or alterations as described in paragraphs (b) and (c) of this section before approving that article for return to service.

(b) A certificated repair station must certify on an article's maintenance release that the article is airworthy with respect to the maintenance, preventive maintenance, or alterations performed after—

(1) The repair station performs work on the article; and

(2) An inspector inspects the article on which the repair station has performed work and determines it to be airworthy with respect to the work performed.

(c) For the purposes of paragraphs (a) and (b) of this section, an inspector must meet the requirements of § 145.155.

(d) Except for individuals employed by a repair station located outside the United States, only an employee certificated under part 65 is authorized to sign off on final inspections and maintenance releases for the repair station.

§ 145.215 Capability list.

(a) A certificated repair station with a limited rating may perform maintenance, preventive maintenance, or alterations on an article if the article is listed on a current capability list acceptable to the FAA or on the repair station's operations specifications.

(b) The capability list must identify each article by make and model or other nomenclature designated by the article's manufacturer and be available in a format acceptable to the FAA.

(c) An article may be listed on the capability list only if the article is within the scope of the ratings of the repair station's certificate, and only after the repair station has performed a self-evaluation in accordance with the procedures under § 145.209(d)(2). The repair station must perform this self-evaluation to determine that the repair station has all of the housing, facilities, equipment, material, technical data, processes, and trained personnel in place to perform the work on the article as required by part 145. The repair station must retain on file documentation of the evaluation.

(d) Upon listing an additional article on its capability list, the repair station must provide its certificate holding district office with a copy of the revised list in accordance with the procedures required in § 145.209(d)(1).

§ 145.217 Contract maintenance.

(a) A certificated repair station may contract a maintenance function pertaining to an article to an outside source provided—

(1) The FAA approves the maintenance function to be contracted to the outside source; and

(2) The repair station maintains and makes available to its certificate holding district office, in a format acceptable to the FAA, the following information:

(i) The maintenance functions contracted to each outside facility; and
(ii) The name of each outside facility to whom the repair station contracts maintenance functions and the type of certificate and ratings, if any, held by each facility.

(b) A certificated repair station may contract a maintenance function pertaining to an article to a noncertificated person provided—

(1) The noncertificated person follows a quality control system equivalent to the system followed by the certificated repair station;

(2) The certificated repair station remains directly in charge of the work performed by the noncertificated person; and

(3) The certificated repair station verifies, by test and/or inspection, that the work has been performed satisfactorily by the noncertificated person and that the article is airworthy before approving it for return to service.

(c) A certificated repair station may not provide only approval for return to service of a complete type-certificated product following contract maintenance, preventive maintenance, or alterations.

§ 145.219 Recordkeeping.

(a) A certificated repair station must retain records in English that demonstrate compliance with the requirements of part 43. The records must be retained in a format acceptable to the FAA.

(b) A certificated repair station must provide a copy of the maintenance release to the owner or operator of the article on which the maintenance, preventive maintenance, or alteration was performed.

(c) A certificated repair station must retain the records required by this section for at least 2 years from the date the article was approved for return to service.

(d) A certificated repair station must make all required records available for inspection by the FAA and the National Transportation Safety Board.

§ 145.221 Reports of failures, malfunctions, or defects.

(a) A certificated repair station must report to the FAA within 96 hours after it discovers any failure, malfunction, or defect of an article. The report must be in a format acceptable to the FAA.

(b) The report required under paragraph (a) of this section must include as much of the following information as is available:

(1) Aircraft registration number;

(2) Type, make, and model of the article;

(3) Date of the discovery of the failure, malfunction, or defect;

(4) Nature of the failure, malfunction, or defect;

(5) Time since last overhaul, if applicable;

(6) Apparent cause of the failure, malfunction, or defect; and

(7) Other pertinent information that is necessary for more complete identification, determination of seriousness, or corrective action.

(c) The holder of a repair station certificate that is also the holder of a part 121, 125, or 135 certificate; type certificate (including a supplemental type certificate); parts manufacturer approval; or technical standard order authorization, or that is the licensee of a type certificate holder, does not need to report a failure, malfunction, or defect under this section if the failure, malfunction, or defect has been reported under § 21.3, 121.703, 121.704, 125.409, 125.410, 135.415, or 135.416 of this chapter.

(d) A certificated repair station may submit a service difficulty report (operational or structural) for the following:

(1) A part 121 certificate holder under § 121.703(g) or § 121.704(f), provided the report meets the requirements of §§ 121.703(d) and 121.703(e), or §§ 121.704(c) and 121.704(d) of this chapter, as appropriate.

(2) A part 125 certificate holder under § 125.409(g) or § 125.410(f), provided the report meets the requirements of §§ 125.409(d) and 125.409(e), or §§ 125.410(c) and 125.410(d) of this chapter, as appropriate;

(3) A part 135 certificate holder under § 135.415(g) or § 135.416(f), provided the report meets the requirements of §§ 135.415(d) and 135.415(e), or § 135.416(c) and 135.416(d) of the chapter, as appropriate.

(e) A certificated repair station authorized to report a failure, malfunction, or defect under paragraph (d) of this section must not report the same failure, malfunction, or defect under paragraph (a) of this section. A copy of the report submitted under paragraph (d) of this section must be forwarded to the certificate holder.

§ 145.223 FAA inspections.

(a) A certificated repair station must allow the FAA to inspect that repair station at any time to determine compliance with this chapter.

(b) A certificated repair station may not contract for the performance of a maintenance function on an article with

a noncertificated person unless it provides in its contract with the noncertificated person that the FAA may make an inspection and observe the performance of the noncertificated person's work on the article.

(c) A certificated repair station may not return to service any article on which a maintenance function was performed by a noncertificated person if the noncertificated person does not permit the FAA to make the inspection

described in paragraph (b) of this section.

Issued in Washington, DC on July 30, 2001.

Jane F. Garvey,
Administrator.

[FR Doc. 01-19362 Filed 7-30-01; 4:40 pm]

BILLING CODE 4910-13-P