

## EDCO to FAA: Stop threatening Oregon's aircraft industry

by Bend\_Weekly\_News\_Sources

Moratorium on Inspections Could Have Negative Business Impact BEND, Ore. -- Economic Development for Central Oregon Executive Director Roger Lee called on the Federal Aviation Administration (FAA) to avoid actions which would threaten Central Oregon's thriving aviation manufacturing industry. For more than twenty years, experimental class (also called kit) aircraft manufacturers have constructed the fuselage, wing skins, horizontal skins and spars which are provided as parts in the assembly of an aircraft. Over time, the industry has evolved, using machined aluminum, carbon fiber and composite materials in the parts provided to the kit purchaser; the FAA is now considering new rules which would bring wholesale change and potentially bar this degree of kit preparation by the manufacturer. "If the FAA succeeds in doing what they tell us they want to do, I think it would be very difficult for us to stay in business here in Central Oregon, or anywhere in the U.S.," said Joe Bartels, President of Lancair Company. "While we are certainly in the business of developing and selling high performance aircraft, and staying in the forefront of aviation technology, a key aspect of our business is the ability to provide the customer with all of the parts necessary to build a plane. To now say that I can't provide a section of carbon fiber wing as part of a kit, would really affect the entire industry," Bartels explained. Rick Schramek, CEO of Bend-based Epic Aircraft, praised the entry of U.S. Senator Ron Wyden into the issue in support of their industry. "Having Senator Wyden get into the game on our side with the FAA is the single best news we've had on this issue in some time. We have no doubt that other Oregon officials will also be there with us," he said. Last week the FAA announced a moratorium on performing inspections on new experimental class aircraft, which includes kit airplanes assembled by their owners. Over the past two decades, experimental aircraft manufacturers and component suppliers have brought to the general aviation market the majority of new technology and safety improvements. Senator Wyden, a nationally-recognized friend of high technology companies, sees the FAA move as an attack on both innovation in the industry as well as job creation in a sector that pays above average wages. Epic Air, which has launched more models of new airplanes in a shorter period of time than any other company in history, met with FAA officials in Washington D.C. last week regarding the issue, but Schramek credits Senator Wyden's efforts for bringing the agency back to the table to discuss the change. "I've rarely seen a member of Congress act with such speed and conviction regarding an issue impacting an industry," notes Schramek, who also has 30 years of experience in the high technology industry. Oregon's aerospace industry is comprised of more than 60 companies. Kit aircraft manufacturers and their suppliers employ more than 1,500 people. Kit manufacturers operating in the state include Lancair, Epic Air, Vans, BD Micro Technologies; Sport Copter, and Windward Performance. Precise Flight, one of Oregon's first aerospace companies and based in Bend, supplies various parts components to both the certified and experimental general aviation aircraft as well as to commercial aircraft companies, including Boeing. Scott Philiben, VP of Engineering & Manufacturing, warns that over-regulation in the U.S. is risking the health of the entire general aviation industry. He predicts that thwarting innovation in the experimental class will have serious negative impacts on the certified aircraft segment, noting that "the experimental market is necessary for a dynamic industry overall." Philiben provides an example of incandescent lighting, which his company manufactures. For the experimental market, the current testing and evaluation procedure for a new reflector would span one or two nights. The testing for the same reflector for the certified market would take a year to 18 months at a cost of tens of thousands of dollars to meet all the onerous regulatory requirements. Other areas of the world have lost or gained business, Philiben says, due to their respective regulatory environment for aircraft production. "The Brazilian firm Embraer has taken over globally the regional commercial aircraft market" a market that was the backbone of the British, Dutch, Swedish and German aviation airframe industry. This industry no longer exists in these countries. We need more champions for the general aviation industry, like Senator Wyden, who understand that seemingly small, incremental administrative changes undermine the viability for American firms to compete. Economic development leaders in the Central Oregon region, where much of the state's general aviation manufacturing industry is concentrated, also praised Wyden's consistent efforts to support growth and innovation in the industry. "Senator Wyden has been remarkable in his ability to forcefully represent the interests of this sector in Washington," said Lee of EDCO. "We are hopeful that other local, state and federal leaders will get educated on this

issue. What we cannot understand -- and what has never been explained by FAA -- is who is being harmed by the current standard? The moratorium and proposed rule changes appear to be over FAA control rather than for safety reasons - the primary reason for agency's oversight. Is a kit airplane assembled in an owner's garage inherently safer than one assembled by the owner in a modern kit part factory? Some leaders in the industry speculate that the FAA wants to force all aircraft manufacturing to be certified. Certification costs for a small general aviation aircraft today can run from \$200 million to \$1.4 billion and typically require 2-5 years to complete. While FAA officials have said that they will reconsider the moratorium on new kit inspections, the battle over rules appears far from over. The immediate goal is to allow consideration of new amateur-built experimental aircraft models under the existing rules, and to get the FAA to the table on possible new criteria for calculating whether the majority of work in building an airplane was done by the individual purchaser, and not by the kit manufacturer, and what the net effect is regarding safety for the general public. "We think a workable solution can be found that enables the industry to grow and innovate better and safer aircraft, but we must get back to a constructive dialog," concludes Schrameck. Industry leaders are lobbying for joint rule making that involves both FAA administrators and kit manufacturers. About Economic Development for Central Oregon Economic Development for Central Oregon (EDCO) is a private non-profit corporation founded 26 years ago and dedicated to building a vibrant and thriving regional economy by attracting new investment and traded-sector jobs (manufacturing, professional, headquarters and high technology businesses) through marketing, recruitment and substantive assistance to existing companies.

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