



Registration rule impacts all U.S. aircraft

By [Erin Van Laanen](#)

On Oct. 1, a new federal regulation goes into effect requiring all aircraft to be re-registered with the Federal Aviation Administration's Civil Aircraft Registry based at the Mike Monroney Aeronautical Center in Oklahoma City. The new rule applies to every aircraft registered with the FAA, regardless of size, weight, use, or where it is based. Whether you own, lease, finance or operate an aircraft, be it a King Air, a Boeing or an amateur-built, the new rule applies to you.

This is a dramatic change to current rules. Currently, when an aircraft is purchased, the FAA issues a Certificate of Aircraft Registration to the owner; it continues indefinitely until the aircraft is sold, exported, scrapped or destroyed. Under the new rule (found at Fed. Register July 20, 2010, Vol. 75, No. 138), the FAA will require each and every aircraft to be re-registered during a three year period. Thereafter, each registration must be renewed every three years. An owner's failure to re-register or renew a certificate will result in the automatic cancellation of the certificate and, among other consequences, grounding the aircraft.

While in draft form, the proposed rule drew considerable comments from the general aviation, corporate and commercial sectors of the aircraft industry. Most of the comments focused on the added cost and negative consequences to owners, lenders leasing companies, lessees and passengers. If the deadline in the new rule is missed, an owner's certificate will be canceled and the aircraft grounded until a new certificate is obtained, which could take several weeks to get from the FAA. During this time, an owner may be also in breach of loan covenants that require the aircraft to be legally registered, and if the aircraft is flown (which it should not be), then insurance coverage may be jeopardized. An owner can also lose the use of its N-number assigned to the aircraft (registration mark), may have to obtain a new N-number, convert the aircraft and its equipment to that new number, and recertify the aircraft as airworthy, all at the owner's expense.

For lenders, a canceled registration can mean loss of its perfected security interest, concerns about the owner's ability to use of the aircraft for revenue flights, and the associated cost to the lender. For lessees, if its lessor doesn't re-register timely, then the lessee is grounded and cannot perform revenue flights.

By now, you may be asking why the new rule was created. There is a good reason. The FAA estimates that information on one-third of the 357,000 U.S. registered aircraft is inaccurate. An accurate FAA database is critical for many reasons. Manufacturers use the database to send safety-related information to owners. Law enforcement officials use the database to identify overdue or downed aircraft., for anti-drug smuggling efforts. The FAA believes the new rule is an efficient and economical way to ensure an accurate database.

The FAA has given considerable thought to the re-registration process and has developed a three-year schedule for re-registration of all aircraft based on the month in which a current certificate was issued, as set forth in the rule. For instance, if a certificate is dated April 16, 2002, then that owner must re-register its aircraft by June 30, 2011. The FAA will notify an owner by mail 180 days before the cancellation date of the upcoming requirement to re-register, and the re-registration can be done online, if no information concerning the registration has changed. The new certificate will be valid for three years, at which time the certificate must be renewed.

Compliance with the new rule is not difficult, but compliance is critical for uninterrupted aircraft ownership, financing and operation.

This article appeared in the September 23, 2010 issue of [*The Journal Record*](#). It is reproduced with permission from the publisher. © The Journal Record Publishing Co.