

FEDERAL AVIATION ADMINISTRATION ISSUES FINAL, COMPREHENSIVE CHANGES TO AIRCRAFT REGISTRATION REQUIREMENTS

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Introduction

On July 20, 2010, the Federal Aviation Administration ("FAA") issued a final rule, *Re-Registration and Renewal of Aircraft Registration*, <http://edocket.access.gpo.gov/2010/pdf/2010-17572.pdf> ("Final Rule"), that will require the re-registration of all aircraft registered prior to October 1, 2010. In addition, the Final Rule states that all aircraft registrations issued after October 1, 2010 will expire and, therefore, need to be re-registered every three (3) years. These changes will have a significant impact on many and will likely result in numerous unanticipated adverse consequences.

Summary of New Rules

Prior to the issuance of the Final Rule, aircraft registrations did not expire and were effective until the aircraft was either sold, deregistered, or otherwise disposed of. The Final Rule changes this longstanding law. The FAA, in its Executive Summary portion of the Final Rule, states that the Final Rule is necessary for numerous reasons. The FAA estimates that approximately one-third (1/3) of the 357,000 registered aircraft records it maintains are inaccurate and that many aircraft associated with those records are likely ineligible for registration.

The FAA has stated that accurate aircraft records are necessary for safety and law enforcement purposes. The FAA Registry Aircraft Database is used by a number of federal agencies and manufacturers for

airworthiness directives, traditional safety-related uses, flight plan verification, homeland security programs and access to national air space. The FAA goes on to state that new registration rules are intended to remedy the inaccuracies of the current voluntary compliance-based system by recreating the Civil Aircraft Registry with current data derived from recent contact with aircraft owners. Finally, the FAA states that the new rules will provide a mechanism to refresh aircraft registration information at least once every three (3) years when registration is renewed.

The FAA estimates that the Final Rule will lower the error rate in their records from 36.5% to approximately 5.7%, cancel registrations of most ineligible aircraft and will require owners to provide the FAA with updated information.

Specific Requirements

There are the two primary components to the Final Rule: aircraft re-registration for aircraft registered prior to October 1, 2010 and ongoing aircraft registration renewals (required every three (3) years).

Aircraft Re-Registration

The most immediate concern under the Final Rule is for aircraft re-registration for all aircraft registered prior to October 1, 2010. Specifically, the Final Rule provides a chart (on back) which details over the next three (3) years when aircraft registrations expire, and when re-registration must occur for all U.S. aircraft.

Prior to the beginning of the re-registration window, the FAA will send a reminder notice to the registered owner at the address listed with the aircraft registry. The FAA has stated that the reminder notice will be sent 180 days prior to the scheduled registration expiration. This reminder will include the date of the aircraft's registration expiration and instructions on how to re-register the aircraft.

A second notice will be sent at the end of the filing window to owners who have not yet submitted registration applications. The filing window will close two (2) months prior to the scheduled expiration date to permit sufficient time to process the applications and mail the new certificates. Registration applications that are sent after the filing window closes will still be processed, but the FAA states that there are no guarantees that the registration process will be completed before the registration expires. In such instances, the aircraft will be unairworthy and will not be legal to operate until the registration process is complete.

In order to ensure aircraft are timely re-registered, the owner must submit the new *Application for Aircraft Registration Renewal*, AC Form 8050-1B, during the filing window, along with a filing fee.

Once the FAA has processed the application, it will issue a new registration certificate for the aircraft containing an expiration date.

Aircraft Registration Renewal

As discussed above, the Final Rule also provides for an ongoing require-

If the Certificate was issued in:	The certificate expires on:	The owner must apply for re-registration between these dates - to allow delivery of the new certificate before expiration
March of any year	March 31, 2011	Nov 1, 2010 and Jan 31, 2011
April of any year	June 30, 2011	Feb 1, 2011 and April 30, 2011
May of any year	Sept 30, 2011	May 1, 2011 and July 31, 2011
June of any year	Dec 31, 2011	Aug 1, 2011 and Oct 31, 2011
July of any year	March 31, 2012	Nov 1, 2011 and Jan 31, 2012
Aug of any year	June 30, 2012	Feb 1, 2012 and April 30, 2012
Sept of any year	Sept 30, 2012	May 1, 2012 and July 31, 2012
Oct of any year	Dec 31, 2012	Aug 1, 2012 and Oct 31, 2012
Nov of any year	March 31, 2013	Nov 1, 2012 and Jan 31, 2013
Dec of any year	June 30, 2013	Feb 1, 2013 and April 30, 2013
Jan of any year	Sept 30, 2013	May 1, 2013 and July 31, 2013
Feb of any year	Dec 31, 2013	Aug 1, 2013 and Oct 31, 2013

ment to renew aircraft registrations every three (3) years.

This process, like the re-registration process, will begin with the FAA sending a reminder notice to the registered owner, at the address listed with the aircraft registry, at least 180 days prior to the scheduled registration expiration. This reminder will include the aircraft registration expiration date along with instructions on how to renew the aircraft registration. A second notice will be sent at least 60 days prior to the scheduled registration expiration. The FAA has stated that renewal applications submitted after the second notice may result in a renewed registration being issued by the FAA after the expiration of the current registration.

Again, once the FAA has processed the application, it will issue a new registration certificate for the aircraft containing an expiration date.

Significant New Aircraft Registration Issues

- Online re-registration and renewal will be offered, but only if no changes are being made to the existing registration and only if filed during the filing window.

- The FAA will send all registration-related notices to the addresses on file of the registered owner of the aircraft. It is essential that aircraft owner addresses are updated with the FAA when necessary.
- Despite an application that has been properly and timely submitted, the Final Rule is silent regarding instances in which FAA fails to issue a new certificate prior to expiration. In such an instance, the aircraft would not be able to be operated until the FAA issues a certificate.
- For re-registration and renewal applications, temporary, "pink slip" registrations will not be allowed.
- Registration numbers will be cancelled 90 days after the expiration of registration.
- Once the cancellation of the registration number is complete, it will be unavailable for five (5) years.
- Operating an aircraft without a valid registration could:
 - Subject both the owner and the operator to FAA

sanctions including civil penalties and certificate actions;

- Invalidate insurance;
- Adversely affect security interests;
- Cause a lessee and/or a borrower to be in default of aircraft leases and/or loans.

Conclusion

These new aircraft registration rules create a very complex process that can leave those who aren't completely familiar with the requirements on dangerous ground. Failure to comply with many of the procedures set forth in the Final Rule could expose many to: at best, an expensive asset that cannot be used; at worst, significant liability. Please contact the Jim Waldon Lane Powell Aviation Group at 206-612-7938 if you have additional questions.

