

The Future for U.S. Registration

Corporate Jet Investor – Miami

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Mike Monroney Aeronautical Center



- 7500 Direct Federal Employees
- One of the 10 Largest Employers in OK City Metro Area
- All private and commercial planes in the United States are registered there
- Air traffic controllers are also trained there

Almer Stillwell “Mike” Monroney

March 2, 1902 – February 13, 1980

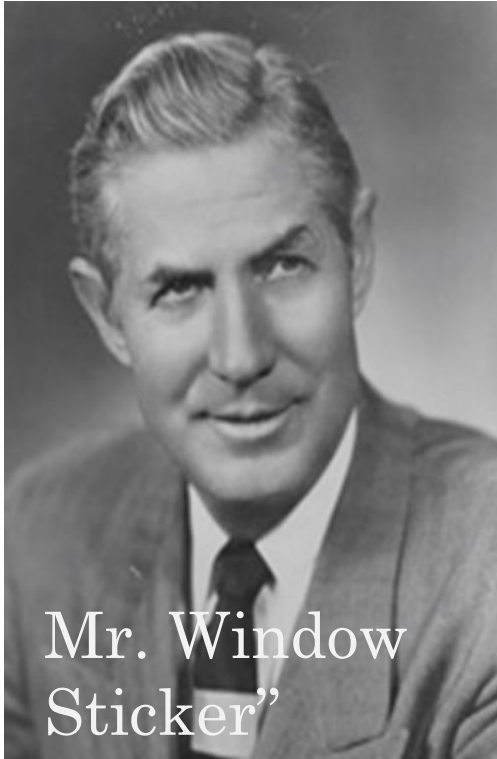


Democratic Party Politician from
OK

Chairman of the Aviation
Subcommittee

Wrote and sponsored the Federal
Aviation Act of 1958 which created
the FAA

“Monroney Sticker”



Mr. Window
Sticker”



How Do You Schedule a Visit?

- Contact the Aircraft Registration Branch
 - e-mail at: 9-amc-afs750-pdroom@faa.gov
 - Phone: (405) 954-3131
- U.S. Citizens must schedule their visit no less than two days before their planned arrival
- Foreign Nationals must schedule their visit three weeks before their planned arrival
 - If your arrival will be delayed by more than two days, you must reschedule your visit
- Hours: 7:30 am until 4:00 pm Central Time

FAA Registry

- Owner Registry not an Operator Registry
- Real owner not a nominee
- Types of owners
 1. US Citizens
 - Individuals and certain entities
 2. Resident Aliens
 3. Non-Citizen U.S. Corps Based on Primarily Used in the US
- Citizenship Test
- Operator is primarily responsible for safe operation but may be regulatory exceptions
- Truth in Leasing Requirements

Counts By Type Registrant

• Registered Aircraft	
• Individual	134,435
• Partnership	3,814
• Corporation	117,545
• Co-Ownership	27,757
• Government	5,645
• Non-Citizen Corp	1,181
• Non-Citizen Co-Own	14
• Other	1
Total Registered	290,392
Unregistered	277
GRAND TOTAL	294,158

Categories of Aircraft

- **Airplane:** Single-Engine Land, Single-Engine Sea, Multi-Engine Land, Multi-Engine Sea
- **Rotorcraft:** Helicopter, Gyro-plane
- **Glider**
- **Lighter than air:** Airship, Free Balloon
- **Powered lift**
- **Powered parachute:** Powered parachute land, Powered parachute sea
- **Weight-shift-control:** Weight-shift-control land, Weight-shift-control sea
- **Rocket:** Powered parachute land, Powered parachute sea
- **Drones**

What is driving change at the FAA Registry?

- Boston Globe article
- Proposed Aircraft Ownership Transparency Act of 2017
- Audit of FAA Registry by the DOT Inspector General
- Audit of FAA Registry by the Government Accountability Office
- FAA Reauthorization Act of 2018

FAA Registry Audit

The Boston Globe



SPOTLIGHT FOLLOW-UP

Aircraft registration system said to pose security risks

Status of OIG and GAO audits

- OIG and GAO are separately auditing the FAA Registry
- Both met with certain industry participants in Oklahoma City this year
- OIG issue two reports
 - analysis of how the FAA Registry functions, with a focus on efficiency, computer systems, public access and similar matters.
 - Expected in 2018
 - analysis of how the practices, procedures and relevant laws impact security issues (homeland security, law enforcement and related issues) and the ability of the FAA to oversee US registered aircraft that are located throughout the world.
 - Expected in 2019
- GAO will issue on report in 2019

FAA Reauthorization Act of 2018

- SEC. 546. FAA CIVIL AVIATION REGISTRY UPGRADE requires in part

- complete covered upgrades of Registry within 3 years including:

- the digitization of non-digital Registry information

- the digitalization of Registry manual and paper-based processes, business operations, and functions

- implementation of systems allowing public to submit information and conduct any transactions electronically; and

- allowing more efficient, broader, and remote access to the Registry.

- Manual Surcharge for certain matters conducted in person

- FAA Administrator must report annually to Congress the progress

FAA Reauthorization Act of 2018

- SEC. 556. AIRCRAFT REGISTRATION. Within 180 days initiate a rulemaking to increase the duration of aircraft registrations for noncommercial general aviation aircraft to 7 years.
- SEC. 518. AIRCRAFT REGISTRY OFFICE. Designate employees at the as excepted employees in the event of a shutdown or emergency furlough

Other FAA Registry news

- New Form 8050-1 Aircraft Registration Application
 - ❑ new certification
 - ❑ phone number
- FAA Guidelines pulled from the industry and now back online.
- Digital Signatures
- FAA registry hiring freeze until modernization and current backlog
- Current backlog
- Registration renewal process changes
- Aeronautical Center Counsel requiring more due diligence

Noncitizen Trusts

- They still work
- Published form of Trust Agreement
- Must file agreements affecting a relationship under the trust
 - Operating Agreement
- Aeronautical Center Opinion on Trusts

Noncitizen Trusts

- Trustee Must Provide to FAA on Request
 - Within Two Days:
 - Operator
 - Residence / Principal Place of Business
 - Location of Records
 - Base of Operations
 - Within Five Days:
 - Operator, Crew and Operational Info by Date
 - Aircraft Records
 - Airworthiness Status

Lessons Learned - FAA

Use Escrow / Filing Agent in OK City

- Preposition at Escrow:
 - Money*
 - FAA Documents
- Do Not Ever Mail Anything to FAA
 - Use a Filing Agent to “Walk” It In
- Do Not Give FAA Documents to Broker, Dealer, Pilot or Buyer / Seller (the Other Side) to File Later
 - Lawyer: “Fiduciary Duty to Client -- Not to File”
- Escrow May Not Be A Real Escrow
 - Distribution of Funds Prior to Filing

Lessons Learned - FAA

- Actual Closing is at Aircraft Location
 - Hopefully, a Tax Favorable Jurisdiction
- Representatives of Buyer and Seller Sign & Exchange All Closing Documents at Closing / Aircraft Location
 - Only FAA Documents 8050-1 and 8050-2 sent to Escrow
 - Use Power of Attorney, if Necessary
 - Use Local Notary, Only

Lessons Learned

- Schedule a Closing Conference Call When the FAA Registry is Open
 - Not on Weekend or Federal Holiday
 - Avoid Mondays, Days After Holidays
 - Also, Avoid Oklahoma City Ice Storms
 - New Years' Eve ?
- Make Sure Everyone is on the Phone
 - Buyer and Seller Representatives at Aircraft
 - Escrow Agent, Banks, Lawyers
 - Especially: The Person Who Can Authorize Release of Funds

Lessons Learned

- Use the FAA Filing Time as the Closing Time
 - Be Consistent
 - Oklahoma - Central Daylight Time
- Don't Send Your Only Copy of the Signed Documents Home with the Aircraft

Fax Docs Immediately to your Lawyer!



Lessons Learned

On Export:

- Remove the N#
- Remove the C of A

N247US (USAIR)
Deregistered April 2006
at Beirut Airport
July 14, 2006

