



October 4, 2010

The Honorable Randy Babbitt  
Administrator, Federal Aviation Administration  
800 Independence Avenue, SW  
Washington, D.C. 20591

Dear Administrator Babbitt,

While we have always appreciated open and frank communications with your staff, we believe their recent communication may have an unintended consequence in the industry's ability to implement your Flight Plan for NextGen.

The FAA memorandum dated August 30, 2010, creates severe turbulence as the avionics industry, which the Aircraft Electronics Association (AEA) represents, begins to develop ADS-B solutions. Without your immediate intervention, this communication will stall early equipage, delay early implementation, and, at the extreme, cause the failure of ADS-B implementation all together.

The AEA supports the vetting of new products through the STC process as required by AC 20-165. However, your memorandum goes beyond the reasonable approach of the AC and expresses a severe lack of trust of your employees, your designees, and your TSOs, and is simply not the best answer. In addition, this higher level of certitude that has now been mandated by memorandum is contrary to the data submitted to the Office of Management and Budget in your cost analysis for ADS-B.

The resulting installation cost of early equipage of a single ADS-B system has been increased for business and corporate aircraft by a minimum of 200 percent and for light general aviation systems, as much as 700 percent. I am sure you agree that the practice of regulating by policy resulting in a significant increase in the cost of compliance is an unintentional consequence that cannot be allowed.

While your staff is openly embracing the issuance of multiple model, and Approved Model List STCs by avionics system manufacturers, this is not a viable solution for component level manufacturers. There is no regulatory mechanism to STC an avionics interface without the basis of a Type Certificate.

As a result, ADS-B component manufacturers will be required to individually STC *each and every installation*, thereby increasing the true cost of their products by as much as 700 percent and adding thousands of STC applications to an already over-burdened FAA workload. The unintended consequence of this action is that because of the high cost and slow certification times, the Agency has effectively killed all new and novel technology advances in ADS-B, and created a barrier that will provide a negative incentive to new entrants into the ADS-B marketplace.

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Your staff has offered encouraging news in that they do intend to relax the installation certification levels over time. While this is warmly received by the industry, how do we encourage an early applicant to commit to an installation with a 700 percent premium that would likely take months to complete, instead of choosing to delay equipage until some later date, knowing it will reduce the owner's initial investment from \$35,000 for a required STC installation to more of an industry palatable and promised \$4,500 for a follow-on installation?

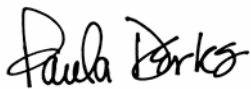
I know this policy is only intended to be temporary, but you do understand that true development of low-cost ADS-B solutions for general aviation will not begin until the STC mandate is lifted. The Agency's plan for early implementation outside of airlines has effectively been killed, not to mention bringing the implementation deadline into question.

It is difficult for our membership to understand why the Agency developed a TSO for ADS-B if your staff has no faith in the performance or validity of the standard that you provided. If the products are manufactured to the TSO and if the initial installations are validated by an STC, (similar to the current requirements for GPS equipment) then AEA repair stations are competent to install the equipment.

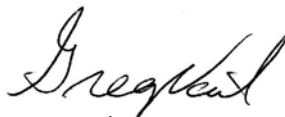
Another unintended consequence of this policy has been the cessations of Mode S transponder installations. Your policy addresses the installation of TSO-C166b equipment. All current production Mode S transponders are manufactured to TSO-C166. And while none of the equipment currently is produced to level "b," we already have received reports from our members that FAA regional certification offices are implementing this policy on ADS-B "equipped" Mode S transponders as well.

We believe the consequences of the August 30, 2010, memorandum will have a fatal effect on the first phase of your FAA Flight Plan towards the Next Generation Air Transportation System. Your immediate intervention is needed to limit the damage caused by this policy. We would like to discuss this with you further at your earliest availability.

Sincerely,



Paula R. Derks  
President  
Aircraft Electronics Assn.



Greg Vail  
Chairman of the Board  
Bloomington Avionics



Gary Harpster  
Vice Chairman of the Board  
Duncan Aviation

CC: AEA Board of Directors,  
Ric Peri, AEA Vice President, Government & Industry Affairs