To: Office of Information and Regulatory Affairs, Office of Management & Budget
From: Regional Airline Association
RE: Opposition to Removal of AQI User Fee Exemption for Small Aircraft Operators

Background on Regional Airline Association:
The Regional Airline Association represents 15 regional airlines[1], which operate 41% of the U.S. scheduled passenger departures and directly employ more than 57,000 individuals. Regional airlines provide more than half of the air service in 21 states and more than 70% of the air service in 9 states. Notably, regional airlines offer the only source of scheduled, commercial air service at 64% of U.S. airports. Regional airlines operate at 93% of the nation's airports, while network carriers operate in 33%.

<u>RAA opposes the removal of the AQI exemption for small aircraft operators. The removal of the exemption is not justified for the following reasons:</u>

APHIS did not undertake a valid Initial Regulatory Flexibility Analysis to determine the impact that the removal would have on small businesses.

- The removal of the exemption would have a substantial financial impact on regional airlines that operate small regional aircraft with less than 65 seats. Many of these airlines are small businesses. Based on the proposed fee schedule in the NPRM, these airlines would be subject to an additional $34 million in costs based on 2023 flight schedules.

	Total Arrivals to US and PR 2023		9 months beginning 1/1/2024 288.41	12 months beginning 10/1/2024 309.00	12 months beginning 10/1/2025 330.07	12 months beginning 10/1/2026 351.64	12 months beginning 10/1/2027 373.68
	Jan 1 - Sep 30	Oct 1- Sep 30					
US Air Carrier	<65	<65	<65	<65	<65	<65	<65
TOTAL	16,114	21,678	$4,647,439	$6,698,502	$7,155,257	$7,622,852	$8,100,635

- Despite the draft rule stating, "In addition, the commercial aircraft user fee constitutes a small portion of the expenses associated with commercial aircraft."[2] The reality is that an additional surcharge in the hundreds of dollars will make many flights unprofitable. This may result in the discontinuation of service, which could also significantly impact the quality of life and economic health of the community served by the airline.
- Regional airlines that are operating short range international flights in the Pacific Northwest, Florida, Puerto Rico, and U.S. Virgin Islands would be particularly damaged by the new fee.

[1] RAA Members are: Air Wisconsin, CommuteAir, Cape Air, Empire Airlines, Endeavor Air, Envoy, GoJet Airlines, Horizon Air, Mesa Airlines, New England Airlines, Piedmont, PSA Airlines, Republic Airways, Silver Airways, SkyWest Airlines
[2] 88 Fed. Reg. 54807

- The following airports have a notable percentage of international arrivals on aircraft with less than 65 seats: 80% of Luis Munoz Marin International Airport (SJU) in Puerto Rico; 66% of U.S. Virgin Island Airports; 10% of Chicago-O'Hare International Airport; 10% Fort Lauderdale-Hollywood International Airport (FLL); 26% Philadelphia International Airport; 18% Tampa International Airport; and 100% Fort Lauderdale Executive Airport; and 100% of Friday Harbor Airport in Washington state.
- Further, the NPRM acknowledges that the Department did not perform a proper analysis on the impact to small business, "Because we do not have explicit data on the per-flight revenue, profit margins and competitive landscape affecting international arrivals of commercial aircraft with 64 or fewer seats, we cannot make specific conclusions as to how the collection of this user fee will affect individual businesses."[3]
- Unfortunately, APHIS made no effort to gather comments from organizations that represent small air carriers. APHIS did not conduct outreach to the Regional Airline Association or our members. While Airlines for America (A4A) and International Air Transport Association (IATA) filed comments in opposition to removing the exemption, they do not represent small air carriers. RAA learned about the rulemaking after comments were due on the NPRM.

APHIS has not put forward any data supporting the removal of the exemption.

- APHIS justifies the removal of the exemption based on the number of operations, indicating that sufficient operations now take place on aircraft with less than 65 seats to serve as a pathway for pests.
- The original justification for the small aircraft exemption, which was expanded from 64 seats from 30 seats or fewer in 1993, was because they, "require little to no inspection." [4]
- Today, this justification is still as valid as it was in 1993 and should continue to be utilized to determine if the exemption is justified. According to a survey of RAA members currently exempted from the fee, they do not transport agricultural and agricultural related commodities that are the target of the searches due to the small size of the aircraft.
- APHIS does not demonstrate in the NPRM that it has found any hitchhiking pests on board aircraft that are currently exempted.
- If the exemption is removed, APHIS would be financially burdening small aircraft with a fee to address a risk that has not been substantiated with any data.

[3] 88 Fed. Reg. 54807

[4] 7 C.F.R. § 354, 14305–06 (Mar. 17, 1993) ("User Fees-Agricultural Quarantine and Inspection Services, Phytosanitary Certificates, Animal Quarantine Services, Veterinary Diagnostics, Export Health Certificates").