



Client Advisory: Registration of Aircraft

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Today, July 20, 2010, a Final Rule was published in the Federal Register that includes amended regulations that require re-registration of all aircraft registered prior to October 1, 2010, and mandates the renewal of all registered aircraft every three years. Accordingly, current Certificate of Aircraft Registration holders must initially re-register their aircraft and subsequently renew their aircraft's registration every three years. All aircraft registered after October 1, 2010, will display a three-year expiration date on their Certificates of Aircraft Registration.

RE-REGISTRATION

Registered owners should give their most immediate attention to the re-registration process. According to the Final Rule, all aircraft currently registered in the United States must be re-registered during a specific time period based upon the month the Certificate of Aircraft Registration was originally issued. This re-registration process will continue on a rolling basis over the next three years. The Final Rule also establishes a three month filing window for each re-registration (the "Re-Registration Filing Window"). Unless a registered owner completes the re-registration process during the Re-Registration Filing Window, the Federal Aviation Administration (the "FAA") will not guarantee issuance of the new Certificate of Aircraft Registration prior to expiration of an aircraft's current Certificate of Aircraft Registration.

To initiate the re-registration process, the FAA will send reminder notices to the registered owner at the address listed on its Certificate of Aircraft Registration. The first reminder notice will be sent 180 days prior to the scheduled expiration date of the aircraft's Certificate of Registration. This reminder will include the expiration date of the aircraft's Certificate of Registration along with instructions on how to re-register the aircraft.

To ensure re-registration of an aircraft before the expiration of its current registration, the registered owner must:

(1) submit an Application for Aircraft Re-registration, AC Form 8050-1A (to become available on the FAA's website - <http://registry.faa.gov/renewregistration>);

• Please note that the AC Form 8050-1A is separate and distinct from the AC Form 8050-1. To re-register, a registered owner must submit an AC Form 8050-1A, not an AC Form 8050-1



(2) during the Re-registration Filing Window (see table below); and

(3) pay a \$5.00 fee to the FAA for re-registration of each aircraft.

The Final Rule provides the following table setting forth the expiration and Re-Registration Filing Window dates:

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

If there are no substantive changes to the registration information and the registered owner begins re-registration within the Re-registration Filing Window, the aircraft may be re-registered online through the FAA's website. This may be accomplished using a passcode that will be included in the initial FAA reminder notice and such passcode will remain valid until the Re-registration Filing Window closes. Those re-registration applications reporting changes (e.g., address change, etc.) or initiated outside the Re-registration Filing Window must be completed using a paper Application for Re-Registration that is originally executed and filed with the FAA Registry. Following re-registration, the FAA will issue a new Certificate of Aircraft Registration that clearly displays an expiration date.

If an owner fails to re-register within the Re-registration Filing Window, the FAA will send a second notice. Although applications submitted after the Re-registration Filing Window closes will be accepted, the FAA will not guarantee issuance of a new Certificate of Aircraft Registration prior to the expiration date of the aircraft's current Certificate of Aircraft Registration. Accordingly, a registered owner may be forced to cease aircraft operation until the new Certificate of Aircraft Registration is received and is placed on board the aircraft.



RENEWAL

Although the immediate priority should be given to re-registration process, the Final Rule also establishes a renewal requirement mandating that all aircraft registrations be renewed every three years.

Similar to the re-registration process, the FAA will send reminder notices to the registered owner to begin the renewal process. The first notice will be sent 180 days prior to the aircraft's scheduled expiration date. Such notice will include the expiration date of the aircraft's registration, as well as instructions on how to renew the registration of the aircraft.

To renew the registration of an aircraft, the registered owner must:

(1) submit an Application for Aircraft Registration Renewal, AC Form 8050-1B (to become available on the FAA's website);

• *Again, please note that the AC Form 8050-1B is separate and distinct from the AC Form 8050-1. To renew, a registered owner must submit an AC Form 8050-1B, not an AC Form 8050-1.*

(2) during the six months prior to the expiration date on the Certificate of Aircraft Registration (the "Renewal Filing Window"); and

(3) pay a \$5.00 fee to the FAA for renewal of each aircraft.

Like the re-registration process, if there are no substantive changes to the renewal of the aircraft's registration and the registered owner begins the renewal process prior to 60 days from expiration, the renewal of the aircraft's registration can be made through the FAA's website using the pass-code included in the initial FAA reminder notice. Upon renewal of an aircraft's registration, the FAA will issue a new Certificate of Aircraft Registration to the registered owner. The new Certificate of Aircraft Registration will be valid for three years and will clearly display an expiration date.

The FAA will send a second notice 60 days prior to expiration of the Certificate of Aircraft Registration. Renewal applications submitted following this second notice may result in a renewed Certificate of Aircraft Registration being issued by the FAA after expiration of the current Certificate of Aircraft Registration. Again, an aircraft cannot legally operate with an expired Certificate of Aircraft Registration.



RISKS TO AVOID

Under the Final Rule, an aircraft can only be operated lawfully with the actual Certificate of Aircraft Registration on board. There will not be a pink copy of the new Aircraft Re-Registration and Renewal Applications, AC Forms 8050-1A and 8050-1B. Accordingly, registered owners must re-register and renew their aircraft registrations in a timely manner in order to guarantee receipt of the new Certificate of Aircraft Registration prior to the expiration of the current Certificate of Aircraft Registration. Failure to do so may result in the following:

- Grounding of the aircraft;
- Jeopardizing perfection of legal interests;
- Jeopardizing insurance coverage;
- Subjecting the registered owner to civil penalties for invalid operation of an aircraft (which can create liens that have priority over previously perfected interests); and
- Administrative cancellation of the N-number.

Since the FAA will send the re-registration and renewal notices to the address on file for the registered owner of the aircraft, it is imperative that registered owners maintain an accurate address at the FAA.

For further information regarding: (i) the aircraft currently registered to you and/or your company; (ii) how the Final Rule will impact you and/or your company; or (iii) assistance in maintaining a database with respect to the re-registration and renewal dates for those aircraft registered in your company's name or in which you presently have a security interest, please contact one of our attorneys in our firm's Aviation Law Group.