b. An end-of-course test for a training course in appendix K.

This proposed school certificate issuance requirement deletes the requirement for 8 out of every 10 most recent graduates to have passed the practical or knowledge test on the first attempt. Using this percentage before a school is issued a certificate will ensure more quality of training than the current requirements which pressure schools into ensuring that every 8 out of its most recent 10 graduates passed on the first attempt. During the public hearings, some schools stated that the current requirements place a school in a dilemma by forcing them to pass 8 out of every 10 graduates or loose their school certificate. Under the current requirement, it is conceivable for a provisional pilot school to have graduated over 100 applicants for a practical or knowledge, and have 97 of those applicants pass the required knowledge or practical tests without one failure and then have the next 3 applicants fail the test. Under this scenario, the school would not be qualified to have their certificate issued. Under this proposed revision, the FAA believes quality of training would be maintained, but the schools would not be forced to pass 8 of every 10 graduates in order for a school to be issued. For example, this issuance method would work as follows:

A provisional school graduates 100 students from its part 141-approved courses within the 24 calendar-month period prior to the date application is made for the issuance of a pilot school certificate. Out of those 100 graduates, there were 50 knowledge tests attempted and 100 practical tests attempted for a total of 150 attempts. Out of those 150 practical and knowledge tests attempted, the school would be required to have at least an 80 percent pass rate on the first attempt, or in this case, at least 120 students would have had to pass on the first attempt in order for a pilot school certificate to be issued.

Another example is a provisional school provides only part 141-approved ground school training for an instrument rating course. It graduates only 10 students from its part 141 approved instrument rating ground school course within a 24 calendar month period prior to the date application is made for issuance of a pilot school certificate. Out of those 10 graduates, there were 10 knowledge tests attempted for a total of 10 attempts. Out of those 10 attempts, that provisional school would be required to have at least an 80 percent pass rate on the first attempt, or in this case, at least

8 students would have had to pass on the first attempt in order for a school certificate to be issued.

Another example is a provisional school that has part 141 course approval for a Private Pilot Certification Course under appendix A and also a Test Pilot Course under appendix K. The provisional school graduates 5 students from its Private Pilot Certification Course and 5 from its Test Pilot Course within the 24-calendar month period prior to the date application is made for issuance of a pilot school certificate. Out of those 5 private pilot graduates, there were 5 knowledge tests attempted and 5 practical tests attempted for a total of 10 attempts. There were 5 endof-course tests accomplished by students enrolled the school's Test Pilot Course. In order for a pilot school certificate to be issued, the provisional pilot school would have to show an 80 percent pass rate on the first attempt for its private pilot applicants. Therefore, 4 private pilot graduates would have to pass the knowledge test on the first attempt, and 4 private pilot graduates would have had to have passed the practical test on the first attempt. Otherwise, the students enrolled in the Test Pilot Course or the other courses of appendix K only count for the recent activity of training requirements.

Section 141.7 Provisional Pilot School Certificate

No substantive changes are proposed for this section.

Section 141.9 Examining Authority

No modifications are proposed for this section.

Section 141.11 Pilot School Ratings

The FAA proposes to revise this section by revising the aeronautical knowledge areas, reorganizing the current certificate courses and eliminating the test courses, and replacing the term, "flight proficiency requirement" with "approved areas of operations."

The proposed changes for this section would establish the following courses:

(1) Certification and rating courses:

(i) Recreational pilot course.

(ii) Private pilot course.

(iii) Commercial pilot course.

(iv) Instrument rating course.

(v) Airline transport pilot course.

(vi) Flight instructor course.

(vii) Flight instructor instrument course.

(viii) Ground instructor course.(ix) Additional aircraft category or class rating course.

(x) Aircraft type rating course.

(2) Special preparation courses:

(i) Pilot refresher course.

(ii) Flight instructor refresher course.(iii) Ground instructor refreshercourse.

(iv) Agricultural aircraft operations course.

(v) Rotorcraft external-load operations course.

(vi) Special operations course.

(vii) Test pilot course.

(3) Pilot ground school courses.

Section 141.13 Application for Issuance, Amendment, or Renewal

Proposed § 141.13 would revise the existing requirement that requires a pilot school to submit three copies of a training course outline for the issuance or amendment of a pilot school certificate or rating. Two copies of the training course outline are sufficient.

Section 141.15 Location of Facilities

No substantive changes are planned. However, the wording of proposed § 141.15 has been changed to a more permissive language to parallel the proposed changes in § 61.2.

Section 141.17 Duration of Certificates and Examining Authority

The FAA proposes to replace the title "Duration of certificates" to read "Duration of certificates and examining authority." The FAA also proposes to add the provision stating that a pilot school or provisional pilot school certificate expires whenever "the Administrator has determined a school has not acted in good faith with a student to whom it has a contractual agreement to provide training." The proposal is a result of past events where some unscrupulous school operators have made contractual agreements with students and then have failed to meet those agreements. As an example, in the 1980's a part 141 school continued to advertise its services when the school was not financially capable. Students were fraudulently required to make payments for the entire course prior to beginning the course. The school requested payment under false pretenses as covering the entire cost of training, room, and board. When the students arrived to begin their training, they were informed the school was bankrupt, and they could only get their training if they would agree to pay for the fuel for the aircraft and pay their own room and board. The FAA was unable to stop this school operator from continuing this unscrupulous practice, because the current rules do not prevent it. Further investigation of this school operator showed that this was not the only time this operator had done this to students. This particular operator would