

The UPDATE Report



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Expediting Export: License Exceptions and “600 Series” ECCNs

Since the implementation of the new “600 Series” ECCNs on the Bureau of Industry and Security’s (BIS) Commerce Control List, a number of members have asked us about the applicability of commonly used license exceptions. Attendees of our workshops, and regular readers of The Update Report, know that we frequently recommend taking advantage of export license exceptions whenever possible. Using such exceptions can save money and time, and are particularly important for AOG customers when time is of the essence and waiting for an export license is simply not an option.

As those familiar with export know, a particular article’s ECCN helps us determine when an export license will be required for export to certain countries. The “600 Series” ECCNs have been created as part of the ongoing Export Control Reform initiative. These ECCNs control those articles that formerly appeared on the USML and were therefore considered ITAR controlled. Those new ECCNs of most concern to us are ECCN 9A610 “Military aircraft and related commodities, other than those enumerated in 9A991.a” and 9A619 “Military gas turbine engines and related commodities”. We will use “600 Series” in this article to refer to those two ECCNs.

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MESSAGE FROM ASA'S PRESIDENT

THE UPDATE REPORT

is the newsletter of the Aviation Suppliers Association.

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ASA is committed to providing timely information to help members and other aviation professionals stay abreast of the changes within the aviation supplier industry.

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Dear Colleagues,

We are just weeks away from the annual conference and looking forward to seeing you in Arizona. Our general sessions are packed with industry leaders. Monday's keynote speaker will be Ahmad Zamany from COPA. Mr. Zamany recently spoke at the MRO US convention and he is a strong supporter of the aftermarket industry. Mr. Pilarski will also be speaking on Monday morning; it will be hard for him to follow-up his prediction regarding fuel prices. Jason Dickstein will be moderating a panel discussing regulator issues. Bruce Burnett and Helen Jiang will be focusing on aircraft lifecycles and disassembly. Lee Benson will be speaking about team building which leads into Joey Feinstein's keynote from Southwest Airlines. In addition to all these presentations there are 19 workshops focused on business, quality and legal-regulatory issues.

One of the products from last year's QC meeting at the annual conference was the need for a best practice on ESD handling. ASA has published the Best Practice; this document was started by the Quality Committee. Roy Resto and Nin George headed a group that brought the draft through to final copy. This is the second Best Practice that ASA has released. Roy will be holding a workshop regarding ESD at the annual conference.

We have a few new additions here at ASA. Jeanne Meade has joined ASA as Director, Member Services. Jeanne was with ASA several years ago and has been working for aftermarket companies. She will be developing services that help member companies be successful businesses. Look for her outreach efforts over the next few months. Corine Graham is ASA's new Point of Contact for ASA-100. Emil Patino is the point of contact for FAA AC 00-56 is assisting with member services. We continue to work on maintaining a strong staff to support the membership.

Take care, Michele

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REGULATORY UPDATE

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This shift of many aircraft and engine parts from State Department control (under the ITAR) to Commerce Department control has been a welcome change for exporters. However, as the creation of the new “600 Series” ECCNs suggest, these transitioned articles, formerly controlled as defense articles under the ITAR, warrant a different level of control than those ordinary dual-use parts that were already subject to Commerce Department control. This makes intuitive sense, as these are military parts that warrant some enhanced level of control, but which do not provide a “critical military or intelligence advantage.”

Given that articles in the “600 Series” ECCNs now occupy a sort of middle ground—subject to the somewhat less-restrictive level of control of the Commerce Department, yet still warranting additional control due to their nature as military parts—we should expect the applicability of commonly used license exceptions to be subject to some limitations as well.

In our workshops we typically recommend the use of three primary license exceptions: Civil End-Users (CIV), Servicing and Replacement of Parts and Equipment (RPL), and Aircraft, Vessels, and Spacecraft (AVS). We will primarily focus on the applicability of these three exceptions.

The first exception, CIV, can be dispensed with quickly. CIV is designated on the Commerce Control List (CCL) “600 Series” ECCNs as “CIV: N/A”. License exception CIV applies to those articles controlled only for National Security (NS) reasons. Because the articles under ECCNs 9A610 and 9A619 are military articles they are

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(RA Companies Continued from page 1)

Alaris Aerospace Systems LLC
Pompano Beach, FL

Arrow Dynamics, LLC
Sunrise, FL

Ascent Aviation Services Corp.
Tucson, AZ

Aviation Resources
Mesa, AZ

B&Y International Trading
Walnut, CA

CAVU Aerospace
Stuttgart, AR

Cirrus Aerospace
College Park, GA

Coast Material Sales
San Clemente, CA

Contrail Aviation Support
Verona, WI

Crestwood Technology Group
Yonkers, NY

CT Aerospace
Carrollton, TX

H & B Aircraft Parts
Santa Clarita, CA

Hawk Aviation LA, LLC
Sunrise, FL

Infinity Air, Inc
Tarzana, CA; Doral, FL; Seattle, WA

International Aircraft Associates
Miramar, FL

MAC Aerospace, LLC
Tucson, AZ

Miami Interair, Inc.
Miami, FL

Northwest Aviation Services Group
Auburn, WA

Overseas Aircraft Parts, Inc.
Deerfield Beach, FL

Pinnacle Aircraft Parts
Miami, FL

Prime Aerospace PTE, Ltd.
Los Angeles, CA; Singapore;
Dubai UAE

Qwest Air Parts
Memphis, TN

Ranger Air
Lewisville, TX

Sino-American Aviation, Inc.
City of Industry, CA

TK Aviation
Grapevine, TX

Tradewinds Engine Services
Coconut Creek, FL

Trans-Aero FZE
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Turbo Resources Int'l
Chandler, AZ

VAS Aero Services
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REGULATORY UPDATE

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controlled for additional reasons too, including Regional Stability (RS) and Missile Technology (MT). License exception CIV is therefore not applicable to these “600 Series” ECCNs. Strike one.

Skipping over exception RPL briefly, exception AVS can also be dispensed of quickly. License exception AVS permits the export of equipment and spare parts for permanent use on an aircraft and exports to planes of U.S. or Canadian registry and U.S. or Canadian Airlines’ installations or agents. However, the Export Administration Regulations specifically omit exception AVS as a permissible exception from its list of license exceptions applicable to the “600 Series”. We can add license exception AVS to our list of exceptions unavailable for use with “600 Series” articles. Strike two.

Down to our final commonly used license exception, we return to exception RPL. License exception RPL permits export for the one-for-one replacement of parts, components, accessories and attachments as well as export for servicing and replacement of commodities that are defective or that an end user or ultimate consignee has found unacceptable.

In short, RPL works two ways. The first way is that a part may be exported to replace a previously legally exported part. The parts must be identical, and the core must be returned to the exporter or destroyed (and as a best practice proof of such destruction provided). The second way is a return of an article that is either defective or in need of servicing or repair (i.e., the part has been found “unacceptable”). Upon servicing the part is then returned under exception RPL.

Luckily for us, license exception RPL is permissible for use with “600 Series” articles! Use of this exception can greatly increase an exporter’s ability to service its customer.

Such use is not without limitations though. Recall again that “600 Series” ECCNs carry a unique export control status. Use of exception RPL is therefore limited with respect to certain countries. No “600 Series” ECCN article may be exported under license exception RPL to any destination identified in Country Group D:5. Country Group D:5 countries are those with which the U.S. maintains an arms embargo, and can be located on the Country Group List, Supplement 1 to 15 C.F.R. Part 740. This is a restriction of which exporters seeking to use RPL must be aware.

Although the excluded countries prevent the exception from being a grand slam, RPL is still a valuable license exception for “600 Series” articles.

Two other less-commonly used exceptions may also be available for export of “600 Series” articles, so we will touch on them briefly.

The first is Shipments of Limited Value (LVS). LVS is a list based exception like CIV and therefore appears on the CCL in the ECCN information. Both 9A610 and 9A619 are limited to shipments valued at less than \$1500. This low dollar value makes exception LVS of limited practical application to “600 Series” articles. It is also forbidden to split or otherwise manipulate or structure a transaction to attempt to evade license requirements using LVS. Those seeking to use exception LVS should consult their export compliance department.

The second less common exception is exception Strategic Trade Authorization (STA). STA is best suited to those exporters with a regular and recurring shipment of articles requiring a license. Due to the complexity of exception STA it merits its own stand-alone article. Look for this article in the next issue of The Update Report.

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Available license exceptions are clearly limited in the case of parts listed as ECCN 9A610 or 9A619. Of the three primary exceptions—CIV, RPL, and AVS—only RPL is permissible, and even then with restrictions. Knowing the available license exceptions, however, can both help you service your customer and ensure you remain compliant.

The Export Administration Regulations provide a handy cheat sheet listing the license exceptions generally applicable to “600 Series” articles at 15 C.F.R. § 740.2(a)(13). Unless you are already familiar with the regulations, however, this reference should be used only as a starting point in your inquiry. You should consult your export compliance officer or legal counsel to ensure full compliance with the regulations when using more complicated license exceptions. 

FAA Publishes Safety Management System (SMS) Rule

On January 8 the FAA published its SMS final rule for air carriers.

The industry has been waiting several years for this rule. In fact, Congress mandated this air carrier SMS rule in 2010, with a final rule date not later than August 1, 2012.

Scope

The new rule applies to part 121 carriers, and requires them to submit an implementation plan to the FAA for review no later than September 9, 2015. The implementation plan must be approved no later than March 9, 2016. The plan must be fully implemented no later than March 9, 2018.

The FAA has estimated that the 90 domestic Part 121 air carriers will spend about 82 million dollars implementing and running SMS programs over the next ten years. But these estimates are based on a manpower analysis that seems a little light. Compliance with FAA requirements often takes more effort than what the FAA is estimating in its cost-benefit analysis.

This regulation should serve as a template for later SMS rules for manufacturers and repair stations. An ICAO Standard and Recommended Practice (SARP) requires SMS regulations to be applied against air carriers, manufacturers and repair stations. Many discussions of those rules have centered around reliance on the same Part 5 SMS rule that serves as the core of this rulemaking activity.

Recordkeeping

There are significant new record-keeping requirements in this rule. The FAA is required to get OMB (Office of Management and Budget) approval before it can impose new record-keeping requirements. The rulemaking preamble admits that the OMB approval has not yet been issued, but promises to publish the OMB approval number when (if) it is issued. The industry should keep careful watch on this – it has happened in the past that the FAA has sought to enforce record-keeping requirements before the OMB approval number was issued (or in the absence of such an approval number). If the OMB approval number is not published by the time the implementation plans are due (in September) then air carriers may want to submit implementation plans without recordkeeping components.

The new records that must be created and maintained by air carriers will include:

- records of outputs of safety risk management processes
- records of outputs of safety assurance processes
- records of all training

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In addition, air carriers will be required to develop and maintain communication mechanisms that accomplish the following, and records of all of these communications must also be maintained:

- Ensure that employees are aware of the SMS policies, processes, and tools that are relevant to their responsibilities.
- Convey hazard information relevant to each employee's responsibilities.
- Explain why each safety action has been taken (the FAA has not defined this term, "safety action," but preambulatory language suggests that any reactive or proactive action taken to enhance safety may meet this description, so this could include each piloting decision, each dispatch decision, and even the decision to purchase a part from one vendor instead of another vendor).
- Explain why each safety procedure is introduced or changed.
- Explain the reason for each safety procedure change.

How Might This Affect Distribution?

A lot of the specifics about SMS are left open to interpretation. As a consequence, it is impossible to predict with any accuracy what sort of data requests will be directed from air carriers to their distributors. But it is not absurd to believe that some air carriers may impose data requirements on distributors in order to support their safety risk and safety assurance obligations.

On the other hand, this might be good for aircraft parts distribution. If air carriers are required to justify their safety decisions, and this extends to parts procurement decision, then a decision to purchase from an accredited distributor is justifiable, based on the FAA's determination that such purchase is a sound safety practice (not to mention the FAA audit of the AC 00-56 program which found the program to be effective). 

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Is Cuba Opening Up for Business? Be Wary of US Laws!

As most readers are no doubt aware, over the past several months the United States has been working to gradually normalize relations with Cuba. Many of ASA's members are no doubt already working the phones into Cuba to see where there is business to be had. Some caution is still warranted, though. While the Treasury Department has issued new regulations affecting trade with Cuba, those changes have not yet opened up trade in aircraft parts with Cuba.


The major categories of activities affected by the recent changes include:

- Travel to Cuba for authorized purposes – Certain travel-related transactions will now be authorized, including travel for certain educational, journalistic, and religious activities, professional meetings, and humanitarian projects. Cuban tourism continues to be forbidden.
- Travel services – US persons (including travel agents and airlines) will be permitted to provide authorized travel and carrier services, within parameters set forth by the new regulations.
- Remittances – Authorized transactions have been increased from \$500 per quarter to \$2,000 per quarter. This privilege is still limited – additional details can be found at 31 C.F.R. § 515.570(b).
- Credit cards – US credit cards and debit cards will be permitted to be used on authorized travel to Cuba.
- Cuban cigars – Authorized travelers will be permitted to import no more than \$400 worth of goods from Cuba (including up to \$100 in alcohol or tobacco products).
- Banking – Certain banking changes designed to better facilitate authorized transactions.

Until the Bureau of Industry and Security (BIS) relaxes its own sanctions, most transactions with Cuba involving aircraft parts remain forbidden. But those who are interested in building relationships with Cuban carriers while we await further relaxation of sanctions may be interested in the “professional meetings” clause of the new regulations. Under the old regulations, there was narrow permission for attendance at professional meetings. Such meetings had to be sponsored by an “international professional organization, institution, or association that regularly sponsors meetings or conferences in other countries.” This language has been relaxed somewhat to apply to a broader range of professional meetings including those where:

- (i) The purpose of the meeting or conference is not the promotion of tourism in Cuba;
- (ii) The purpose of the meeting directly relates to the traveler's profession, professional background, or area of expertise, including area of graduate-level full-time study;
- (iii) The traveler does not engage in recreational travel, tourist travel, or travel in pursuit of a hobby;
- (iv) The traveler's schedule of activities does not include free time or recreation in excess of that consistent with a full-time schedule of attendance at professional meetings or conferences.

For complete details, please be sure to examine 31 C.F.R. 515.564.

This may offer some expanded opportunity for Americans to attend professional aviation meetings in Cuba in order to begin developing relationships with Cuban air carriers. 

Right Sourcing is Shifting the MRO Field: Where Will Tomorrow's Customers Be?

At last month's MRO Americas, Kevin Michaels delivered a keynote address in which he discussed the current trends in "right sourcing".

Michaels explained that over the past decade, significant manufacturing and design infrastructure has been established in China, Russia, India and Brazil. Within China and India, there were particularly high levels of engineering investment from 2008-2011. A significant factor included the low cost of labor in the locations.

The Commercial Aviation Corporation of China (COMAC) attracted a lot of western aerospace investment in China in the 2004-2011 period.

But over the past three years, there has been a shift. China has experienced significant increases in labor costs, as well as skilled labor shortages. Automation has continued to erode labor content for many aerospace parts. Higher oil prices made transportation costs a significant factor in offshoring during 2012-2014. Factors like these have resulted in more "right shoring" – in which value chain activities are sited in the best locations for long term competitive advantage and market access. Labor costs are no longer the only factor in locating business units.

This means that in most recent years, aerospace investment dollars are returning to the US. The Southeast US has become a hot spot for the balance between labor costs, skilled labor availability, transportation costs, etc.

China seems to have a customs 'firewall' that can make it much easier to bring product into China if it is assembled in China. To serve Asia effectively, many companies are getting into China because of the difficulty in bringing unassembled product into China.

What does this mean for MRO? More heavy checks that were going to Asia are coming back to North America as Asian labor rates increase. Lufthansa Technik will open a heavy maintenance facility in Puerto Rico (other companies with significant engineering centers in Puerto Rico include Lockheed Martin and Pratt & Whitney). Other new heavy maintenance facilities are being opened in the continental US, including facilities for companies like ST Aero (though Michaels predicted that the US would not be the hot spot for aerospace investment in four years, as industry trends continue to evolve).

But other maintenance still needs to follow the customer growth patterns. Michaels concluded that growth will still be led by Asia, China, and the Middle East (China will continue to be a separate market from the rest of Asia). So there is still a need for the MRO community to invest in those regions in order to support those customers.



ASA is blogging!

Check out the two blogs on the ASA website:

- **Cavu Café: Royboy's Prose & Cons** and *the*
- **ASA Web Log** by Jason Dickstein

Air Carriers Speak Out About the Importance of Timely Service

“We have to hold our suppliers to the same standard that we hold ourselves to.” Those were the words of Lance Applegate, the Director of Fleet Engineering and Programs for Delta Airlines. Applegate explained that his customers expect flights to be on time, and they expect the same of their suppliers.


The airline panel at MRO Americas had a strong focus on the importance of timely service and Turn Around Time (TAT) in support services. Ahmad Zamany, the Vice President of Technical Operations for Copa Airlines, explained that longer TAT leads to higher cost of ownership, so shorter TAT is at a premium. Government regulations like import standards can increase TAT and impede success of a company and this is something experienced by many of the Latin American companies.

Zamany noted that when choosing airframe MRO partners, Copa stays away from partnerships that require a long ferry transport. Long ferries cost time on TAT which is often not overcome by reduced costs of labor or other reduced costs. Copa therefore seeks the closest partners for heavy maintenance.

Copa’s philosophy is that they hold their business partners accountable and they expect their partners to hold Copa accountable because sometimes delays are the airline’s fault due to paperwork issues or other issues within the airline’s control. In a partnership, he believes that the supplier should not be blamed for issues within the airline’s control.

Lance Applegate stressed that delivering to an expected turn-time is important because of the airlines plan for the expected turn-time, so exceeding TAT expectations creates problems for the operator.

Beth Medlen, the Virgin America Director of Base Maintenance, points out that when TAT is decreased in an MRO facility, it benefits the air carrier but also means that the MRO is more profitable because it can increase throughput.

New surplus parts as well as overhauled rotables are safe parts that can reduce MRO costs. The audience asked “what role does surplus take in supporting the air carrier?” Zamany said “If we just go to the OEM for everything, then we’re not gonna last very long.” He explained that PMA and surplus parts are important parts of his fleet support strategy. 

ASA Annual Conference



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ASA Participates in the 2015 Aerospace Maintenance Competition

ASA sponsored an event at the 2015 Aerospace Maintenance Competition in Miami Florida.

The 2015 Aerospace Maintenance Competition featured 200 competitors from 40 different Air Carriers, Military Units and Schools (Photo below)



The Aerospace Maintenance Competition is an annual event that brings together 5-person teams from A&P schools, air carriers, MROs and military units to demonstrate their maintenance proficiency. They go through a series of stations, each of which features a maintenance-related task that must be accomplished rapidly. The times for each station are added to get a final score for the entire competition.

This year's event was held in the hall of the Aviation Week MRO Americas Conference under the guidance and leadership of Ken MacTiernan, George Miller and the Honorable John Goglia (yes, that's John's title – not just a description of his personality).

The ASA event presented each competitor with a set of fifteen 8130-3 tags. Some of them were correctly completed, but many of them were flawed. Competitors were required to distinguish the correct forms from the unacceptable ones, and then to identify the specific flaws in each of the unacceptable forms. ASA staff served as event proctors and judges.



(Photo left): George Ringer proctors the ASA event as students diligently study their 8130-3 tags.

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This was a great opportunity to remind students and professionals of the importance of being able to read an 8130-3 tag and to recognize when that documentation reveals a flaw. Everyone gained a better appreciation for the nuances of 8130-3 tags.

Other events at the competition included an engine maintenance event sponsored by FedEx and performed on a real JT8D engine. PPG had life-size mock-ups of a cockpit and a wing section for their sealant event. Spacetec had competitors don space suits to simulate a lunar environment. ASA member Aventure sponsored a safety wire event.

All of the teams were impressive, but for ASA, the most impressive was the Air China team. The ASA challenge was riddled with difficult and esoteric issues, but the Air China team pulled in front of the competition with a near-perfect score. ASA presented each member of that team with a \$50 Snap-on tool gift card during the awards ceremony.

Sound exciting? Want to get involved further? ASA is looking forward to participating again next year and we are already talking about ideas for next year's event. We plan to discuss some ideas with members at the ASA Conference on June 7-9; but there's no need to wait until then to share your own ideas. We'd love to know your vision – please email us if you have a proposal about the 2016 event. 

Hazmat Alert: Is the Government at Your Door?

The Department of Transportation conducts audits of hazmat compliance at facilities that ship hazardous materials (hazmat). Because many aircraft parts are hazmats, aircraft parts distributors may find themselves the targets of such investigations.

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Over the past 20 years, we have been contacted about hazmat audits being conducted by the Research and Special Programs Administration (RSPA) personnel (the predecessor to the Pipeline and Hazardous Materials Safety Administration (PHMSA)), FAA personnel, and even TSA personnel. It appears that many of these audits are generated by identifying hazmat shipments carried by a carrier (like an air carrier) and then following up on the shipments at their shipping-source. So if you ship a hazmat, then there is a chance you could be targeted in a random audit.

Many aircraft parts distributors have found these audits to be quite innocuous. The agent usually wants to see shipping records and may have questions about subjects like training records. We've gotten calls from companies who lost their training records and needed them faxed over immediately in order to satisfy an auditor (when we perform hazmat training, we keep our records for three years so we can justify replacement certificates if they are needed). Despite the generally innocuous nature of these audits, every fact pattern and every government audit is different, so you should use your own judgment when considering how to respond to the agent who arrives to perform the audit.

You Have a Right to Know

Sometimes the audits are not random – sometimes they are a follow-up of an allegation and they have a specific purpose. If there is a specific purpose to the investigation, such as a follow-up to a reported hazmat incident, then any person subject to the investigation has the right to know the purpose of the investigation (“the general purpose for which the information or evidence is sought”). 49 C.F.R. § 107.305(c). In our experience, many of these ‘surprise’ visits are really just random inspections. If that is the case, then the investigator will usually be happy to tell you that in response to your inquiry.


What if They are Investigating a Specific Occurrence?

If the inspection is associated with a specific investigation, then you should seek the advice of an attorney. Penalties for hazmat infringement can be very high, so anything you can do to defend against, or mitigate, the penalty is good. And you do not want to suffer a recurrence so you should be examining how to restructure your system to prevent regulatory infringements and other risks.

If an investigation reveals that there was no violation, or that no further action is necessary or warranted, then the person being investigated will be notified when the investigative file is closed. 49 C.F.R. § 107.305(d). This affirmative regulation is actually a great thing for the public, and I wish more agencies would include requirements like this one.

Do I Have to Participate in an Investigation?

Questions about issues like participation help illustrate why it is so important to coordinate with a lawyer. The regulations require shippers, carriers, package owners (which could include a recipient), package manufacturers/certifiers, repair facilities, and persons reporting hazmat incidents to cooperate in investigations. Under the regulations, these persons are required to provide certain access to records and information pertaining to the subject of the investigation, and also provide reasonable assistance to the investigator. 49 C.F.R. § 171.21(a). However, these requirements could conflict with a person's Fourth and Fifth Amendment rights in some circumstances, so careful analysis of the facts is required.

There are additional regulatory requirements imposed on persons who are required to file hazmat incident reports. They are generally required to respond to such inquiries within 30 days after receipt. This requirement can also conflict with other rights so consulting with a lawyer can be helpful. 

Keeping Fasteners Safe

Standard parts – particularly fasteners – continue to be a topic that is being discussed by regulators on both sides of the Atlantic. We've had private conversations with both FAA and EASA executives on this issue.

The Issue

In 2013, EASA published a Safety Information Bulletin (SIB) entitled “Defective Standard Hardware – MS21042, NAS1291 and LN9338 Self-Locking Nuts, and NAS626 Bolts.” This European SIB highlighted defects in certain self-locking nuts, and certain bolts. In each case, the fasteners were standard parts. EASA recommended that those who use these fasteners should visually inspect them for surface irregularities, such as gouges or cracks, before use. EASA also recommended testing 1% of each lot received as a means of identifying non-conformities.

In 2014, the FAA published a follow-on document (Standard Hardware, AN, MS and NAS Fasteners, FAA SAIB HQ-14-16 (April 28, 2014)) that expanded on the EASA SIB. Further investigation had shown that the non-conformities were attributed to hydrogen embrittlement and other latent manufacturing defects. Although this information was not published, industry rumor suggested that the hydrogen embrittlement was the product of inadequate heat treating.

The FAA has described the defects in these fasteners as “emblematic of potential flaws in other standard hardware.” In conversations with both FAA and EASA executives on this issue, the root cause opinions appear to be uniform – when many military specification standards were retired by the US military, they were then republished by civil standards organizations for continued use in civil aircraft (e.g. AIA publishes the National Aerospace Standards). After that time, the Department of Defense no longer provided oversight to these standards. The civil standards organizations do not certify, monitor compliance or perform surveillance of parts produced to these standards (nor of their manufacturers). The responsibility for compliance with these standards and specifications lies with their respective manufacturers – and nearly all of the time, these manufacturers are doing the right thing – they are ensuring that their standard parts meet the requirements of the applicable standards. But events have shown that a tiny sliver of bad actors can cause unwanted problems, and some people in the government feel that this lack of oversight has left an opportunity for improper manufacturing.

How can we address this lack of oversight economically? By considering other forms of oversight and assurance.

There is a solution.

Many fastener distributors are accredited to the ASA-100 standard. The ASA-100 standard includes a requirement that fastener distributors perform visual inspection on fasteners, and maintain batch/lot segregation of fasteners. This requirement establishes a second set of eyes to help ensure that fasteners are not subject to obvious flaws.

Thus, buying standard parts from ASA-100 accredited distributors helps to ensure the integrity of the fasteners that you are receiving.

The FAA and EASA are both continuing to look at this issue.

We recently met with EASA and proposed that their regulatory structure already is developing a framework for embracing a solution. EASA published Opinion 2013-12 which included a recommendation for the updating of EASA 145.A.42. The new language would include enhanced requirements for acceptance of components:

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REGULATORY UPDATE

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The organisation shall establish procedures for the acceptance of components, standard parts and materials for installation to ensure that components, standard parts and materials are in satisfactory condition and meet the applicable requirements of point (a).

In the proposed GM3 145.A.42(b)(1) that would accompany this regulatory change, Part 145 organizations would be permitted to rely on “other-party” surveillance of suppliers. This would include reliance on the surveillance performed under the AC 00-56 program and under the ASA-100 program. The proposed GM is published in the EASA Comment Response Document (CRD).

In light of the fact that ASA-100 already includes fastener surveillance, EASA could use this upcoming promulgation as a tool to better enhance standard fastener oversight by endorsing fastener surveillance as a required element for inclusion in the GM. By utilizing the processes of the Voluntary Industry Distributor Accreditation Program, EASA and the FAA would have an inexpensive mechanism for helping to catch problems in cases where fasteners are not properly produced to the expected standards.

Distributor accreditation has been successful in addressing unapproved parts issues, by creating a knowledgeable group with appropriate quality management systems that are designed to identify those sorts of problems. This model has already been successfully expanded to fastener issues within the ASA-100 community. This model can also be further expanded to make use of the entire distributor accreditation community as a second set of eyes, watching for fastener issues. 

CALENDAR OF EVENTS

ASA 2015 Annual Conference

June 7-9, 2015 **Hyatt Regency at Gainey Ranch Resort • Scottsdale, AZ**

Industry Events

August 29-September 1, 2015 **ACPC • New York, NY**

CONTACT US!

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