

# The Update Report

### The Airline Suppliers Association

Volume 8, Issue 3 March 2000

### **LEGISLATION**

### **Congress' Year of Aviation Finally Ends**

Well, they've finally passed it: the FAA Reauthorization Bill. The newspapers and TV talk shows describe it as an increase in passenger taxes and in flights out of the busiest airports, but what will this bill mean to aircraft parts distributors?

This year's FAA Reauthorization was supposed to be passed in 1999, which House Transportation and Infrastructure Committee Chairman Bud Schuster (R-PA) had declared to be the "Year of Aviation." While it is true that the year of aviation (1999) technically ended without a complete piece of legislation, the foundation of the bill had been established through 1998 and 1999. This new law represents many years of deal-making and political wrangling.

Known variously as AIR-21 (for the 21<sup>st</sup> Century), The FAA Reauthorization (they have to pass one every few years to keep money flowing to the FAA), and "the Wendell H. Ford Aviation Investment Reform Act for the 21st Century," (for the Kentucky Senator who retired in 1998), this bill includes something for everyone.

Many people are still debating whether elements of the bill will be beneficial for the aviation industry as a whole. Plenty of these questions remain open to debate. Overall, the bill appears to represent some changes to the way we all do busi-

ness. For distributors, the most noticeable changes are occurring in 1) life-limited part marking, 2) counterfeit part penalties, 3) fraud penalties, 4) hazmats, 5) voluntary reporting programs, and 6) treatment of stage 2 aircraft.

#### Part Marking

Members of Congress were interested in establishing firmer controls on lifelimited parts. Their aim was to prevent the inadvertent installation of a part whose useful life was already spent (or the use of the part past its useful life due to poor recordkeeping). In early discussions, Congressional staffers suggested scrapping all life limited parts upon removal from an aircraft, regardless of the remaining useful life. Suggestions concerning the scrapping of parts that had reached or nearly reached their useful life were inappropriate due to the life extension programs used in the industry to demonstrate additional potential life.

The compromise that ASA negotiated would require safe disposition of life-limited parts upon removal from an aircraft. While destruction of the parts remains an option, safe disposition may follow a number of other paths, too, including:

segregation of the part under cir-(Continued on page 30)

### Inside this Issue:

Year of Aviation Ends	25
ASA in Action	27
Harmonization and the JAA	28
Reaccreditation Update	29
FAA Financially Healthy	34
Enhanced Disk Inspection	34

### **Congratulations to:**

**Airbound Parts of Oklahoma** Tulsa, OK

**Aircrafters, Inc.** Wilmington, DE

**Thompson Aircraft Products**Camarillo, CA

**Turbine Engine Consultants**Diamond, MO

For their accreditation to the Airline Suppliers Association's Accreditation Program—see page 29 for this month's list of reaccredittees!

Keep monitoring,
http://www.airlinesuppliers.com
for a growing list of
FAA accredited distributors.



### A Message from **ASA's President**

By now you should have received the registration packet for this years annual conference. Judging by the initial numbers the event will be well attended. As in the past, ASA is providing special rates for air carrier and government employees. If a member would like to invite a colleague from an air carrier or the government, please contact Jeanne Pearsall at (202) 730-0271.

Recently, we have received several calls from members with questions regarding the large proposed hazmat violation fines against non air carrier companies in the aviation industry. The proposed fines are large and the alleged violations are not clear. The focus on the shipment of hazardous materials has been enhanced since the ValuJet accident.

I have asked Marshall Filler, Senior Partner, Filler & Weller, PC., to speak at the annual conference on the legal risks associated with the shipment of hazardous materials. Marshall's presentation will be on Monday morning.

Last year several members commented that they felt that the annual conference presented the perfect venue for an open discussion on the issues effecting the distribution of aircraft parts. The 2000 annual conference will conclude with an industry panel discussion. The panelist will cover all aspects of part distribution. As the moderator, I will put forth issues and questions to the panelists. After they have answered we will open the discussion for audience participation. If you have an issue that you would like addressed during the panel discussion, please contact me.

Best regards,

Michele Schweitzer

### **Notifications and Announcements**

### **ASA Bylaws**

A copy of the proposed bylaws and a proxy vote was distributed to all members. The deadline for submitting the proxy is May 4, 2000. Fax your proxy to (202) 730-0274.

If you have any questions, please contact Michele Schweitzer or Jason Dickstein at (202) 730-0270.

### **ASA 2000 Elections**

At least two positions on the ASA Board of Directors will be open for election in 2000. ASA Members interested in running for these positions should submit nominations to ASA. Nominations should include the name, company name, and contact information for the nominee.

Nominations are due no later then 5:00 pm Eastern Time on June 9, 2000. Ballots will be distributed on or about July 3, 2000.

#### **Board Of Directors:**

253-395-9535 **Karen Borgnes** Pacific Aero Tech, Inc.

John Butler 818-768-7000 Time Aviation Services, Inc.

**Amy Cochis** 860-565-2712 Pratt & Whitney SML

Bill Cote 561-998-9330

The AGES Group

Fred Gaunt 310-829-4345

Pacific Air Industries

Mike Molli 847-836-3100

Scandinavian Airlines System

954-431-2359 Paula Sparks

AVTEAM

#### Officers:

**Karen Borgnes** 253-395-9535

Corporate Treasurer

Jason Dickstein 202-730-0270

Corporate Secretary

Michele Schweitzer 202-730-0270

President

### **ASA Members Meeting**

The Airline Suppliers Association, Inc., a Delaware not-for-profit corporation, will hold its annual membership meeting on June 27, 2000, 8:00 am at the Four Seasons Hotel in Las Vegas, Nevada. If you have any questions, please contact Michele Schweitzer or Jason Dickstein at (202) 730-0270.

### The Update Report

is a monthly newsletter of the Airline Suppliers Association. Ouestions/ comments should be addressed to:

Jason Dickstein Airline Suppliers Association 1707 H Street, NW, Suite 701 Washington, DC 20006 voice: (202) 730-0272 fax: (202) 730-0274 email: jason@airlinesuppliers.com

### The Update Report

provides timely information to help Association members and readers keep abreast of the changes within the aviation supply industry.

### The Update Report

is just one of the many benefits that the Airline Suppliers Association offers members. For information on the ASA Accreditation Program, Conferences, Workshops, FAA guidance materials like Advisory Circulars, Industry Memos, or services and benefits, contact the Association.

### The Update Report

For information on special rates for advertising, contact the Association at (202) 730-0270. Subscription cost is \$120.00 US per year.

Copyright © 1993 - 2000, The Airline Suppliers Association. All rights reserved.

### **ASA Stays Busy in 2000**

The first quarter of 2000 has been a busy one for the Airline Suppliers Association [ASA].

On the Congressional front, ASA was particularly proud of the passage of the passage of the passage of the FAA Reauthorization bill in March. The bill carried language that ASA had originally drafted, and several extreme positions discussed early in the bill-drafting process were dropped or modified to avoid an undue burden on distributors.

On the regulatory front, ASA has been an active opponent of an OSHA proposal to require distributors and other companies that handle parts to implement "full scale" ergonomics programs. While ergonomics remains an important concern in the American workplace, the OSHA proposal would impose huge costs and liabilities on small businesses in our industry with little real gain. The terms of the proposal also violate other existing laws, forcing companies into the uncomfortable position of either violating OSHA regulations or violating the National Labor Relations Act!

ASA has continued discussions with the FAA concerning a wide range of issues that affect distributors, including:

- Direct-shipment of parts,
- Parting-out of aircraft & engines,
- Accident-incident related parts,
- Disposition of scrap parts,
- Availability of 8130-3 forms through FAA DARs, and
- Parts produced in the course of maintenance.

ASA worked with FAA's Al Michaels on developing guidance concerning military surplus parts; that advisory circular is expected to be

released quite soon. Following close behind it (perhaps as early as this summer) will be comprehensive FAA guidance on receiving inspections. The FAA was particularly careful in drafting this guidance to seek out ASA support to make sure that the guidance would meet the needs of distributors, especially those who comply with ASA-100.

ASA has also launched the 2000 Continuing Education Workshop Series. This popular training program is supported by membership dues, so it is available to ASA members for only \$50 per employee (which covers food and duplication charges). The initial sessions in Los Angeles and Seattle were sold-out. These two crowds had plenty of incisive questions for ASA, and the post-workshop questionnaires

suggest that the attendees felt this year's presentation was quite valuable.

While ASA was understandably proud of the hazardous materials poster it produced, the Association was shocked at the intensity of the industry's positive response! ASA was forced to undertake a supplementary print run just to meet the industry's immediate demand. Air carriers from around the world requested copies. ASA entered into a greements with a number of large companies who will be undertaking their own print runs to duplicate the poster for their own use throughout their facilities.

The poster was developed through ASA's Quality Assurance Committee [QAC]. Other projects on which the Committee is working include parting-

### ASA Continuing Education Series

### **ASA 2000 Training Workshop**



### How do you register?

- 1. Download the ASA Workshop Registration form at http://www.airlinesuppliers.com a complete syllabus is also available at this website.
- . Complete the form.
- 3. Read and sign the attestation box at the bottom of the page.
- 4. Fax the form to (202) 730-0274 to reserve your spaces in the Workshop of your choice.
- 5. Mail a check for the registration fee to ASA.

Registration fee is \$50 per person. The fee includes all workshop materials, snack breaks, lunch and a certificate of participation. Workshops will run from 8:30 am - 4:30 pm.

### Harmonization Update; Changes at the JAA

In June, the FAA will meet with Transport Canada and the Joint Aviation Authorities (JAA) to discuss harmonization issues. One important issue that will be discussed is the harmonization of the airworthiness certification / airworthiness authorization forms used within each of the three jurisdictions.

The authorities have been hard at work developing a standardized form that can be used in all three jurisdictions. It is likely that significant progress will be announced at the June meeting and that the form will become available before the end of this year.

Early drafts of documents made available to the industry trade associations suggest that the harmonized form will be a terrific aid to distributors seeking to sell parts to foreign customers. While there will likely be a learning curve associated with understanding the new uses of the form (and learning to identify uses of the form that may not be acceptable for parts destined for United States installation), the final product is likely to be a true benefit to the global marketplace.

The key to these negotiations is the JAA. Headquartered in Amsterdam, the JAA is probably the best known European aeronautical entity. Although it does not have direct regulatory power, the JAA provides a mechanism by which the European nations may develop joint rules that are adopted by each sovereign country that is a part of the JAA. Because of its rule in European harmonization, the JAA is an important point of contact for the United States. It permits the United States to deal with a single entity that can reasonably speak on behalf of the 32 European countries that make up the JAA (20 member and 12 candidate nations).

The JAA has made some important personnel changes in the past year. JAA Maintenance Director Bob Williams retired last summer after eight years with the JAA. Before his work with the JAA he had been the Head of Maintenance Standards for the United Kingdom CAA (comparable to the United States FAA). Williams contended that technical qualifications alone were not enough to be successful in international harmonization projects. He felt that "learning to work

with others sympathetically, diplomatically and persuasively, and taking culture into account is the key to success when combined with technical credibility."

Williams is best remembered for his work on JAR 145, and his discussions with the FAA designed to bring FAR and JAR 145 closer into technical alignment. Although technically retired, Williams remains active. He continues to work on modifications to JAR 145's maintenance standards and is reportedly drafting JAR maintenance standards for light aircraft.

The JAA faced a challenge in replacing Williams, but it rose to the occasion and found Gert Litterscheidt, who is expected to perform admirably as Williams' replacement. Although Litterscheidt spent a year in the German Airworthiness Authority (LBA) before joining JAA in 1992 as the Maintenance Standardization Coordinator, his greatest credential is the 21 years he spent in private industry specializing in the repair and support of aircraft engines. He understands the industry he is regulating.

(Continued on page 29)

## When You Have Critical Needs In Overhaul & Repair, Aero Technology Has All The Solutions.

The professional care Aero Technology offers you in service and technology is unmatched in the avionics industry. Our rapid response rate to your critical needs from a highly experienced staff makes us tops in the repair and maintenance field.

Call us now for more details.

- Convenient SITA/SPEC 2000 Order & Repair Administration (LGBGHXD)
- Airworthiness approvals from JAA, CAAC, DGAC, DGCA, FAA
- Sales and Service Center for: Bendix/King, British Aerospace, Canadian Marconi, Collins/ Rockwell Int., Gables, Lockheed Martin, Loral/Fairchild, Sperry/Honeywell, Sundstrand, Teledyne.

aero technology
FAA Repair Station DQ3R458L

Phone (562) 595-6055 Fax (562) 595-8416 3333 East Spring Street, Long Beach, CA 90806 USA

### Litterscheidt: New JAA Maintenance Guru

(Continued from page 28)

Litterscheidt knows that the industry will have high expectations of him in the wake of the Williams years. He explained that "Bob Williams created a successful and well respected Maintenance Division within the JAA and he was a pleasure to work with."

Litterscheidt believes that the Maintenance Division has an important role to play within the JAA. "I hope that under my leadership we can continue to work successfully alongside the JAA Member Authorities and other Authorities such as the FAA."

On the subject of his own plans for the Division, Litterscheidt notes that "Maintaining the high standards which the Maintenance Division has achieved thus far is certainly a priority for me as it is, I am sure, for many others in the JAA Maintenance area. As a Division we have always sought to provide practical solutions to problems encountered by both Member Authorities and industry."

Litterscheidt does not foresee dramatic changes under his leadership. He says "I have no desire to make any dramatic changes, I will work under the same principles as Bob, continuing to act as a focal point for maintenance issues.

His industry experience is best revealed in his commitment to solutions that work for the industry, as he repeated: "It is of great importance that we constantly remain dedicated to finding the most practical solutions to problem areas."

### **Congratulations to:**

**American General Supplies**Gaithersburg, MD

**Autair Aviation, Inc.**Miami, FL

**Aviation Distributors, Inc.**Lake Forest, CA

Jet Support, LLP Kent, WA

**TPI Aviation, Ltd**Dallas, TX

For their re-accreditation to the Airline Suppliers Association's Accreditation Program

Keep monitoring, http://www.airlinesuppliers.com for a growing list of FAA accredited distributors.

### All Systems



When you want the most comprehensive aviation parts and information network, where do you go? ILSmart.com. With a few clicks of the mouse you can access our huge parts database, exciting online auctions, and ILS Classified. Get up-to-date information, send

messages, advertise your company, and more. And, we have people to help you 24 hours a day, seven days a week.

With ILSmart.com, it's all systems go, all the time, all over the world. Visit our Web site or call us at 1-901-794-5000.



Inventory Locator Service,\* Inc. • Memphis, TN – USA • 1-901-794-5000 • Fax 1-901-794-1760
Asia-Pacific Region Office • Causeway Bay, Hong Kong • 852-2543-7735 • Fax 852-2541-5908
Intralink Service (Europe) Ltd. • West Sussex, UK • 44-1293-562011 • Fax 44-1293-562066

### **Identification of Life Limit Information for Parts**

(Continued from page 25)

cumstances that preclude its installation on an aircraft (a useful option for those who intend to retain the part rather than selling it); OR

- permanent marking of the part to indicate its useful life status (not always an option, but a darn useful method for assuring that parts that are sold retain their useful life information); OR
- permanent marking to indicate that the part is no longer acceptable for use for civil aviation purposes.

The new law also permits the FAA the latitude to devise alternative disposition schemes to reflect new technologies and practices.

The new law requires the FAA to publish a notice of proposed rulemaking within 180 days, so we should expect the regulatory proposal by the end of the summer. ASA plans to assist the FAA in any way it can to assure that the final rules meets the intent of the legislation, but does not unduly inhibit safe and reasonable commercial transactions.

An important provision of this new law forbids the FAA from requiring companies to mark parts that are currently in inventory, and insists that unmarked parts remain installable so long as they are airworthy (meet current standards), so current inventory should remain saleable even without the new markings.

Counterfeit Parts: Certificate Action

In an effort to make sure that criminals are not drawn to the aviation industry, whether as counterfeiters or in any other capacity, Congress has passed some new laws designed to prevent criminals from having access to jobs in the industry.

Under the new law, the FAA is prohibited from issuing any certificate to any person who is convicted of violating a United States law relating to the installation, production, repair, or sale of a counterfeit or fraudulently-represented aviation part or material.

If the FAA has previously issued a certificate to someone who is convicted of parts-fraud, the FAA shall

(Continued on page 31)

# Y3K COMPLIANT

ABD Online<sup>TM</sup> is undoubtedly the aviation industry's most technologically advanced supplier locating system. A searchable part number database of suppliers for buying and fixing the inventory that keeps the "air" in aircraft. Total electronic communication or not. Find suppliers anywhere on the planet or the plains. In the future there will be no money, which is why ABD Online is free, now.

- Searchable part number database of suppliers for spares and repairs
- Classified headings search to identify specialist suppliers
- Parting out aircraft-who-what-when-what's left
- Full RFQ, E-mail and commerce electronically (total thought-only communication not yet available)

### \_\_\_\_ FREE \_\_\_\_

### ABD ONLINE.COM

914-835-7200 ● 914-835-2323 fax 105 Calvert Street ● Harrison, NY 10528

AIRLINE ♦ MILITARY ♦ BUSINESS AVIATION ♦ HELICOPTER ♦ GENERAL AVIATION ♦ EXPERIMENTAL

### FAA Reauthorization Features New Aircraft-Part-Fraud Penalties

(Continued from page 30) revoke that certificate.

The FAA is also restricted from issuing a certificate to a business where an owner or someone with a controlling interest was convicted of such a violation. The FAA is permitted under this new law to amend a certificate to specifically bar the violator from participating in the business.

Certificate holders (e.g. repair stations, manufacturers and air carriers) are also barred from hiring anyone who has been convicted of a violation covered under this new law.

The ownership restriction raises an interesting problem. It is unclear how the FAA will handle publicly-traded companies. There is currently no law prohibiting someone convicted of a counterfeit part violation from purchasing stock in a company like Boeing. Under the plain language of the statute, the FAA would be required to revoke Boeing's production certificate if a convicted part counterfeiter bought a single share of Boeing stock. Clearly, this is illogical and it is very unlikely the law would be enforced this way.

One of the dangers of the new law is that certificate action is not limited to those who are convicted of crimes. If the FAA finds that someone has committed a counterfeit-part related activity knowingly, and with the intent to defraud, then it shall be required to revoke any certificates issued to the person, even though the person has not been convicted of a violation.

This could mean that an adverse decision in a civil trial could provide the foundation for such a revocation. An FAA civil penalty could also serve as the basis for the finding that leads to revocation. Everyone in the industry

will have to be even more careful of civil court actions, civil penalty actions, and any other legal proceedings in which a legal finding might be made upon which the FAA could rely.

When the FAA intends to revoke a certificate under these provisions, it may not hear evidence concerning the object violation itself. If another court has found that the person committed the activity in question, then the FAA does not have any right to review whether it really happened.

Anyone involved in any legal action that alleges aircraft parts fraud or other related issues needs to be extremely careful about settling such cases. A guilty plea in a criminal action could force the FAA to revoke the plea-bargainers certificate. It is not clear whether the FAA will interpret the new law to include violations of the Federal Aviation Regulations. If the FAA chooses to include regulatory violations, then acceptance of a notice of proposed civil penalty could be quite costly to unsuspecting certificate holders.

Distributors should be cognizant of the certificate action consequences of "counterfeit part" transactions, because it is very likely that customers may change their own practices in response to this new law to protect their FAA certificates. It is also possible that some customers will need to be educated about the scope of the new law. It is not uncommon for companies that hear about a new law to impose onerous new requirements in response to the law that are unnecessary or not reasonable related to the actual text of the new law. Finally, distributors should work with their certificate-holding business partners to make sure they don't lose the FAA certificates on which their livelihood depends.

Counterfeit Parts: Criminal Laws

Certificate revocation and being banned from the industry are not the only new law-enforcement tools to fight bad parts! Congress has added a new federal criminal law that provides a federal cause of action for fraud involving aircraft parts.

The new law makes it a crime to commit fraud with respect to an aircraft part. The new cause of action really does not change the fact that fraud is illegal in all fifty states. It does, however, make it possible for federal prosecutors to join their state-level counterparts in pursuing fraudulent conduct in the aviation industry. This can be important because often it is the federal law-enforcement bodies that have the resources and know-how to appropriately investigate such crimes.

The new law provides severe penalties for aviation parts fraud. An aircraft part that fails to operate as represented could lead to a fine of \$1,000,000 and jail time of twenty years. If part failure leads to a death then the person who committed fraud could be looking at life in prison.

And that's not all! The person can be banned from ever working again in the industry. The court can order someone convicted under this new law to divest his interest in the business that was involved in the transaction, to scrap all of the parts owned or controlled by the business, or even to shut down the business. The business can be fined up to 20 million dollars. Anything purchased with proceeds of the affected transaction are forfeit to the government, anything used to facilitate the offense is also subject to forfeiture. This could be a real problem for business owners if they are (Continued on page 32)

### New Law Makes Review of Material Cert. Forms Advisable

(Continued from page 31) unaware of their employees' fraudulent activities!

While the penalties associated with this new law may sound high, the new law is likely to be a good thing for the parts distribution industry. It provides federal enforcement personnel with the tool they need to keep the truly bad-actors out of the industry, and it is the bad-actors that make life difficult for all of us. Normal standards of fraud apply, so innocent persons should generally have no need to fear this law.

The only 'innocent distributors' who must fear this law are those who are not careful about the way that they complete certification forms. Anyone who intentionally misrepresents information on a certification form could fall within the penalty structure of this new law. This includes those who make a representation because "everybody does it that way."

The law will also apply to those who make a statement with reckless disregard for the truth, and this can include someone who makes a statement concerning part quality without verifying the statement. Someone who certifies that a part has never been installed on an accident or incident-related aircraft, when in fact he or she failed to do any research to verify this fact, could be looking at heavy fines and long jail terms!

Under this new law, it will be espe-

cially important for distributors to read their material certification forms carefully to make sure that they do not certify to facts that the distributor does not really know.

### Hazmats

A minor addition to the FAA reauthorization makes it clear that knowledge of hazmat regulations is not an element of hazmat violations, so you can still be convicted of a hazmat violation.

The new provision also notes that knowledge of the existence of a hazmat regulation or requirement shall be considered in mitigation of any penalty assessed. It is clear from

(Continued on page 33)

### PENTAGON 2000SQL<sup>TM</sup>

One System • One Solution • One Time

Aerospace & Defense Software Systems

### INFORMATION IS POWER

AND IS NOW WITHIN YOUR REACH

### FULLY INTEGRATED SYSTEM WITH MODULAR SOFTWARE COMPONENTS

- O Advanced Sales & Marketing
- O Advanced Purchasing
- O High End Inventory Control
- O Advanced Lot Control
- O Quality Assurance & Control
- O Exchange Parts Management
- O Lot Purchase Management
- O Consignments Management
- CALL 1 800 643-1806 FOR A FREE DEMO KIT OR VISIT OUR WEB SITE WWW.PENTAGON2000.COM

- O Document Imaging
- O Network Faxing
- O Multi-Level Work Orders
- O Aircraft Maint(A/B/C/D Checks)
- O Aircraft Modifications
- O Advanced Record Keeping
- O SPEC 2000-EDI Interface
- O Engine Repair & Overhaul

- O Components Repair & OH
- O Outside Repair Management
- O Full Integrated Accounting
- O Manufacturing (PMA parts)
- O Kitting & Assembly
  - O Advanced Job Costing
  - O Full Cycle Parts Traceability
- O Tear Down Management

### HERE ARE SOME OF OUR CUSTOMERS

British Airways
AirLiance Materials
United Parcel Service

Aerospatiale Matra Messier Services Evergreen Airlines Kollsman Avionics GEC-Marconi

Tiernay Metals



# BARON International Aviation, Inc. Solutions that fly TM

### SPARES SUPPORT FOR REGIONAL TURBO-PROP, NARROW AND WIDE BODY JET AIRCRAFT SINCE 1986.



→ 24 Hour A.O.G. → Over 50,000 Line Items in stock → Accredited - Airline Suppliers Association → Extensive Sales & Customer ServiceTeam → Listings on Spec 2000, ILS, EDI & Internet → Consignment Inventories →



**MINNEAPOLIS FACILITY:** 2910 Waters Road, # 150, Eagan, MN 55121 USA Phone: (651) 681-9525 Fax: (651) 681-9414 Email: mspsales@baronintl.com

**WEST COAST FACILITY:** 3415 South 116th Street, #103, Seattle, WA 98168 USA Phone: (206) 241-8009 Fax: (206) 241-8994 Email: seasales@baronintl.com

(Continued from page 32)

internal Congressional documents that this was meant to be mitigation of penalties assessed against those who are ignorant of the law, but the poorly drafted provision actually makes it seem as though the mitigation is to be applied in favor of those convicted of a knowing violation! Until this language is interpreted by a court, it is difficult to say whether the court will do what Congress says, or do what Congress meant.

### Voluntary Reporting Programs

Congress has directed the FAA to develop a rule to protect air carriers and their employees from enforcement actions related to matters reported under a voluntary reporting program.

One of the problems associated with current voluntary reporting programs is that the legal protection associated with them is often sketchy at best. The FAA usually has the option to provide immunity from enforcement actions but it is riddled with exceptions. This new law should provide greater protection to those who report safety programs through voluntary reporting programs. This protection should enhance air carrier reports of safety issues through voluntary reporting programs.

The new law also provides whistleblower protection for air carrier employees.

Note that the new statutory protection language only applies to air carriers and their employees, and not to any other persons in the industry, so distributors should continue to weigh their own interests in any decision to voluntarily disclose information to the FAA.

### Stage 2 Aircraft

Good news for distributors planning on parting-out Stage 2 compliant aircraft. The new law provides legal "cover" for the FAA decision to permit the stage 2 aircraft to fly into the United States under limited circumstances.

The emission reduction rules forbid the operation of aircraft whose noise emissions exceed certain standards. The current standards are known as stage 3 standards. Aircraft that meet the old "stage 2" standards but not the newer "stage 3" standards are generally prohibited from commercial use in the United States, but the FAA reauthorization extends continued exemptions for aircraft under certain circumstances, including aircraft being flown through US airspace for maintenance or aircraft being moved to a final resting place.

This provision permits distributors to purchase stage 2 compliant aircraft and move them to a location in the United States at which they may be upgraded to stage 3 standards or they may be disassembled, so that the component parts that still have value may be sold for reuse.

### FAA Financially Healthy; Issues Engine Disk Guidance

The FAA received a clean audit from the Department of Transportation's Inspector General (IG) for fiscal year 1999, marking the first time the FAA has achieved approval of its financial statements since the audits began in 1992.

"This is a tremendous step for us," said FAA Administrator Jane Garvey. "A clean audit brings the FAA to the standards of private industry for fiscal responsibility. It means that an independent auditor looked at our books and found that our costs are substantiated."

The report presents an unqualified or "clean" opinion on the full set of FAA financial statements. In past years auditors, unable to express an opinion, issued disclaimers. FAA statements include assets totaling \$25.5

billion, obligations totaling \$14.2 billion, and property and equipment spread across the country, making the FAA comparable in size to many of the nation's largest industrial companies.

The clean audit represents a major financial turnaround for the FAA.

\*\*\*

A recent Flight Standards Information Bulletin provides recordkeeping requirements for the critical turbine engine rotating hardware enhanced inspection program. This program is required by airworthiness directive.

The enhanced inspection program is being implemented through the amendments to the airworthiness limitations sections of the manufacturer's manuals; thus inspection compliance will have the same legal impact as life limits in many cases. Distributors selling engines or disks should be prepared to support the customer's needs with respect to documentation of compliance with the enhanced inspection requirements.

\*\*\*

Rumors in the FAA hallways suggest that Mike Sacrey may be asked to move to the Central Region. Sacrey is currently the Director of Flight Standards for Southern Region, but his small aircraft expertise makes him a natural fit for Central Region, where the Small Aircraft Directorate is located. If they make the move, the FAA would probably look for someone with major air carrier experience to replace Sacrey.



### "Your Guide To ASA Accreditation"

If your company is considering ASA Accreditation, Dahl Consulting has the expertise and services to get you there....

We specialize in ASA-100 Quality System development. Several ASA member companies have gained accreditation as a direct result of our personal services. Learn more about us and our satisfied clients on our web site @ www.dahl-consulting.com

1860 East 27<sup>th</sup> Street – Tulsa, OK 74114-4202

 $\underline{\textbf{Ph}} \hbox{: } 918.747.4453 \ \ \underline{\textbf{Fax}} \hbox{: } 918.749.0972 \ \ \underline{\textbf{e-mail}} \hbox{: } apdahl@ionet.net$ 

"Give us a call; together we'll make accreditation a reality"

3/-(ACA Aggainta Mamban)3/

If your objective is to find a cost-effective, mission-critical software solution that is powerful, accurate, flexible and has upward adaptability then *AIRPAX* is the system for you. The *AIRPAX* system has been designed from the ground up specifically for the Aviation Industry and incorporates

880 Jupiter Park Drive Suite 15
Jupiter, FL 33458 Phone 561-747-1217
Website: www.airpax.com

years of evolutionary enhancements that make it the most comprehensive database available on the market today.

No other competing product can offer the level of flexibility possible with *AIRPAX*. As a stand alone system using inexpensive 'dumb terminals', as a server on your already existing network or anywhere in between, *AIRPAX* can blend into your

environment.

Increase your overall productivity with our fully integrated office automation system that includes appointment scheduling, telephone messaging, inter-office email, direct desktop faxing of any letter or form generated by the *AIRPAX* system,

and much more. There is also a direct ILS interface on each workstation and all ILS data is tightly integrated into the *AIRPAX* database for instant online retrieval.

So whether your business is After-Market Part Sales or running an FAA Certified Repair Station, 4 users or 250+ users, *AIRPAX* is the one and only software solution you will ever need. Please contact us to schedule a free, interactive, online demonstration.

### Our satisfied clients include...

Air Operations International Spectrum Aerospace, Inc. Air Associates, Inc. Certified/Kellstrom Falcon Aero, Inc. Danbee Aerospace, Inc. M&M Aircraft Services, Inc. Avatar Alliance, LP
Aaxico, Inc.
Flight Director, Inc.
Prime Turbines, Inc.
Jet Support, LLC
Thrust-Tech Aviation, Inc.
PTS Aviation, Inc.

Corporate Air Parts, Inc.
Windward Air, Inc.
Professional Aircraft
Accessories, Inc.
Corporate Jet Support, Inc.
Air Transport Components
Windward Air, Inc.

Corporate Rotable and Supply, Inc. Intertrade, Ltd. Avteam, Inc. Mitchell Aircraft Spares, Inc. Tradewinds Engines, Inc. World Air Lease, Inc.

### AIRPAX-Your ONLY Software Solution

### YOUR ASSOCIATION IN ACTION

### **ASA Stays Busy in 2000**

(Continued from page 27)

out guidance (in conjunction with the FAA) and a new employee manual to provide some background guidance to those who are new to aviation or new to distribution.

The QAC remains active in its oversight of the ASA-100 standard. At their next meeting in June, the QAC will address changes to the standard proposed by the public. Anyone interested in proposing changes to ASA-100 should transmit the proposal to ASA by or before May 17, 2000 for consideration at the June 2000 QAC meeting.

ASA is looking forward to the June 2000 Annual Conference in Las Vegas. Preliminary number suggest that

this will be ASA's largest Conference ever. In fact, ASA has already had to increase the room block at the Four Seasons to accommodate the early registrants!

The ASA audience will not be disappointed. While audiences expect that ASA will assemble a top-notch team of speakers each year, there are several notable additions to the program of whom ASA is particularly proud.

This year's keynote speaker will be Kenneth Mead, the DOT's Inspector General. Mead has not been a newsmedia feature like his predecessor, Mary Schiavo, but that doesn't mean he hasn't been busy. Off-camera, his guidance has lead to an invigorated oversight office with a regained repu-

tation for excellence in detecting corruption and fraud.

The JAA's JAR-145 Maintenance Coordinator, Harold Jones, will cross the Atlantic to discuss JAA practices concerning procurement and documentation requirements.

Returning presenters are Marshall Filler, Ken Reilly, Jason Dickstein, Bruce Kaplan, Terry Pearsall, Brad Balance, Spencer Lin, Al Michaels, Harry Schaefer and Michael Sandifer.

In total, there will be nine presentations during the general session and twelve separate workshops. Each attendee will be able to attend four workshops.

### **Find Source Documents on the Internet**

Interested in one of the subjects addressed in this issue? Want to find out more? The source documents underlying many of the articles in this issue are available on the internet. Just set your browser for http://www.airlinesuppliers.com/8tur.html#3. This address features an index to the articles which will bring you to the original documents on the world wide web just by clicking on the description.

UPCOMIN	* = Schweitzer or Dickstein will be speaking there
April 14-17	Symposium 2000: ARSA Annual Repair Symposium, Arlington, VA. Call (703) 739-9543.
April 17-19	MRO 2000, Opryland Hotel Convention Center, Nashville, TN. Fax for details: (212) 904-3334.
May 1-3	RAA 2000 Annual Convention, San Antonio, TX. Send a fax to (202) 429-5112 for details.
May 4	* ASA Workshop, Sumner Suites, Tempe, AZ. See Page 27 for details!
May 7-9	ATA Engineering, Maintenance & Material Forum, Phoenix, AZ. Call (202) 626-4000 for details.
May 7-10	* Aircraft Electronics Ass'n Convention & Trade Show, Reno, NV. Call (816) 373-6565 for details.
May 9-11	* PAMA/NATA Aviation Services & Suppliers Supershow, Tampa, FL. Call (202) 730-0260
June 25-27	** Airline Suppliers Association, Las Vegas, NV. Registration forms are now available on our
	website at http://www.airlinesuppliers.com. Call us at (202) 730-0270 for more information!
Sept. 9-12	* Air Carrier Purchasing Conference, Nashville, TN. Call (561) 434-1512 or fax (561) 434-1944.
Sept. 13-14	<b>US Valuation Conference</b> , Falls Church, VA. Call Commercial Aviation Events: +44 (1892) 515364.
Sept. 25	* ASA Workshop, Riverside Hotel, Fort Lauderdale, FL. See Page 27 for details!
Sept. 26	* ASA Workshop, Embassy Suites Hotel, Miami, FL. See Page 27 for details!
Sept. 28	* ASA Workshop, (site TBA) Atlanta, GA. See Page 27 for details!
Nov. 5-7	Regional & Corp. Aviation Industry Suppliers Conference, Rancho Mirage, CA. Call (310) 203-9603.
Nov. 6	* ASA Workshop, Wyndham Garden Hotel, Newark, NJ. See Page 27 for details!
Nov. 9	* ASA Workshop, (site TBA) London, UK. See Page 27 for details!

The ASA 2000 Annual Conference will be held at the Four Seasons Hotel in Las Vegas, June 25 -27. The ASA-negotiated room rate is attractive (\$130) and hotel space is limited. Reservations can be made NOW by calling (877) 632-5000.

1707 H Street, NW, Suite 701 Washington, DC 20006 Telephone: (202) 730-0270 Facsimile: (202) 730-0274

Airline Suppliers Association