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The UPDATE Report

REGULATORY UPDATE

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TO THE ASA-100 STANDARD AND THE FAA'S AC 00-56A VOLUNTARY INDUSTRY DISTRIBUTOR ACCREDITATION PROGRAM

ASA
AVIATION SUPPLIERS ASSOCIATION

Widespread Fatigue Damage Proposals Threaten Distributors

Earlier this year, the FAA published proposed rules and proposed advisory circulars concerning (1) Damage Tolerance (DT) and (2) Widespread Fatigue Damage (WFD). Because of a recognition of the tremendous impact they will have on the maintenance and operating communities, the comment period on the rules and guidance has been extended through September 18, 2006.

ASA addressed the WFD issue in the last issue of The UPDATE Report, before the comment period was extended. In that issue, ASA discussed the fact that the proposed rule would require manufacturers to issue life-limits for airframes.

Continued on Page 3

Quality Assurance Committee Update

The next QA Committee Meeting will be held
November 3-4, 2006 in Dallas, TX

Tune in next month for an update on issues discusssed at the July QA Committee Meeting held in conjunction with the ASA Annual Conference.

INSIDE:

THE UPDATE REPORT

is a monthly newsletter of the Aviation Suppliers Association. Questions and/or comments should be addressed to:

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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 Aviation Suppliers Association offers members. For information on ASA-100, the ASA Accreditation Program, Conferences, Workshops, FAA guidance like Advisory Circulars, Industry Memos or services and benefits, contact the Association.

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MESSAGE FROM ASA'S PRESIDENT

Dear Members,

This month's newsletter is filled with proposed FAA guidances that will impact the distribution industry. Jason Dickstein will be filing comments on behalf of ASA. If you have comments that you would like to include in ASA's filing, please forward the information to Jason. If you chose to file separately, please also send a copy of the filing to ASA.

As detailed on Page 14, ASA will be holding an election for three Director positions. If you are interested in running but have questions about the role, responsibility and commitment associated with being a Director please feel free to contact me or any of the current Directors.

ASA is proud of its commitment to having a significant majority, if not all, of the Directors elected by the Members. While you might think that this is the norm for company trade associations, it is not. ASA holds Board Elections yearly and has the current Board on a staggered election at 4 one year and 3 the following year. Since the election is for two years, ASA ends up holding an election process each year.

Additionally, the Board of Directors does have the power to appoint two additional Directors to the Board. This has been done in the past, to insure that the Board represents the membership and to continue to maintain the staggered election process.

ASA has announced the 2006 Fall Workshop schedule. Once again, the workshops will be held in areas with a high concentration of members. There will be six workshops in the United States, one in Europe and one in Singapore. We are still working on the dates for Europe and Singapore and will announce them shortly. The workshops are designed to provide affordable training that is appropriate for all personnel at a distributor facility. The Board of Directors has strived to continue to provide this affordable training for the members.

It was nice to see so many new faces at this year's annual conference and of course to touch base with members. The date and location for the 2007 conference will be announced shortly.

Take Care,
Michele Dickstein

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Continued from Page 1

- Notice of extension of Comments for Widespread Fatigue Damage Publications:
  http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=2006_register&docid=fr07jy06-19
- NPRM requiring design approval holders to establish additional operating limits on aging aircraft:
  http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=2006_register&docid=fr18ap06-22

The FAA has since issued additional proposed guidance in the form of a draft advisory circular that would assist in establishing the life-limits. The draft advisory circular provides recommended life-limits based on the design life estimates originally proffered by the manufacturers.

- Draft AC 120-YY, Widespread Fatigue Damage on Metallic Structure:
  http://www.faa.gov/aircraft/draft_docs/media/DraftAC120-YY.doc

ASA Board Member Brent Webb, of Aircraft Inventory Management & Services, Ltd, has performed some preliminary research into the matter and has projected that several air carriers could be devastated by these proposed life-limits. He used conservative cycles-per-year estimates and calculated what percentage of certain air carriers' fleets would have to be immediately retired under the rule if it were implemented exactly as proposed, and the manufacturers listed in the examples provided in AC 120-YY followed the advisory circular guidance on setting their life-limits. Based on the proposed guidance in draft AC 120-YY and publicly available figures, he came up with the following mandatory retirement estimates:

Continued on Page 4

Continued from Page 3

Airline	Total Aircraft in Fleet	Aircraft Affected by Proposed Rule	Aircraft Types Affected	Fleet Ratio
Air Transport International	18	18	DC-8(18)	100%
Airborne Express (DHL)	120	90	DC-8(16),DC-9(74)	75%
American Airlines	691	352	A300B4-600(34),MD-82(228),MD-83(90)	51%
Amerijet Int'l	8	8	B727-200(8)	100%
Ameristar Air Cargo	5	5	B737-200(2),DC-9(3)	100%
ATA Airlines	29	7	B737-300(3),L1011(4)	24%
Atlas Air	20	13	B747-200(13)	65%
Bax Global	15	15	B727-200(9),DC-8(6)	100%
Capital Cargo Int'l	12	12	B727-200(12)	100%
Champion Air	16	16	B727-200(16)	100%
Continental Airlines	351	48	B737-300(48)	14%
Delta Airlines	461	158	B737-200(24),B737-300(4),MD-88(114),MD-90(16)	34%
Evergreen Airlines	12	12	B747-100(5),B747-200(7)	100%
Express.Net	13	13	A300B4-200F(7),B727-100C(1),B727-200F(5)	100%
Federal Express	339	239	A300-620(13),A310-200F(31),A310-220F(18),A310-320(10),B727-100(16),B727-200(90),DC-10-10(56),DC-10-30(20)	71%
Kalitta Air	19	19	B727-200(3),B747-100(6),B747-200(10)	100%
Kitty Hawk Air Cargo	24	24	B727-200(17),B737-300(7)	100%
Northern Air Cargo	3	2	B727-100(2)	67%
Omni Air Int'l	10	8	DC-10-30(7),DC-10-30(1)	80%
Polar Air Cargo	11	5	B747-100(1),B747-200(3),B747-300(1)	45%
Ryan International	15	6	B727-200(5),MD-83(1)	40%
Spirit Airlines	40	17	MD-81(1),MD-82(8),MD-83(8)	43%
Tradewinds Airlines	8	8	A300B4-200F(5),B747-200SF(3)	100%
United Parcel Service	243	66	B727-200(15),B747-100(7),DC-8(40)	27%
World Airways	13	4	DC-10-30(3),MD-11(1)	31%
TOTALS FOR THESE 25 AIR CARRIERS	**2496**	**1165**		**47%**

Continued on Page 6

2006 Regulatory Workshop Series

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November 2	Dallas, TX
November 29	Chicago, IL
December 5	Seattle, WA
December 7	Los Angeles, CA
December 14	Miramar, FL

Plus!
Europe and Singapore
Location & Dates To Be Announced

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Continued from Page 4

These number help illustrate the devastating effect that this rule could have on some of our customers. A significant number of aircraft will have to be immediately retired under this proposed rule.

Even if we assume that the air carrier industry can survive these fleet retirements, what affect does this have on ASA's membership? Many ASA members pride themselves on their role in keeping these aging fleets flying safely. They hold significant inventories designed to protect the safety of these fleets. If you are holding inventory for an aging fleet, though, this rule could make that inventory value-less overnight. This can affect both short-term and long-term prospects for your business, since your value-less inventory can no longer be used as adequate collateral for business loans.

Will the Manufacturers Let Fleets Be Grounded?

Why would manufacturers set artificially low life limits? For one thing, shorter life-limits help the manufacturers to get older airframes out of the industry in order to avoid continuing product-liability for those airframes. Once the airframe has reached its life-limit, it would be a violation of the proposed U.S. regulations to continue flying it. The air manufacturer could then use that regulatory violation as a defense to product liability claims in the event of an accident involving an out-of-time airframe. This is not just a matter of hypothetical liabilities; decreasing the potential for a product liability lawsuit on older airframes means that the manufacturers can also decrease the product liability insurance premiums, so there is an immediate affect on the bottom-line!

Some people may argue that this is contrary to the manufacturers' interests, because it adversely affects the assets held by the customer base, which adversely affects the good will that is necessary in order to produce new aircraft orders. The counter to this is that often the older airframes are no longer held by the original owners – they are held by new owners who purchased the airframes used on the secondary market. Because those new owners tend to purchase used airframes anyway, they may not reflect the customer base that the airframe manufacturers want to satisfy. To the extent that a discontinued fleet has already been largely transacted into the secondary market, the affect on the assets of the original purchasers may be minimal.

In short, the widespread fatigue damage rule would require manufacturers to establish life limits for airframes, which in turn would limit the sorts of life-extension work that could be performed on airframes, because extending life beyond the manufacturer-set life limit would require a special FAA approval (similar in nature to other life-limit extension programs) – an approval that the FAA likely does not have the resources to provide. This affects some ASA members by grounding the fleets on which their inventories were destined to be installed.

Your Help Is Needed

ASA would appreciate any data you can provide on the value of inventory from your company (or across the industry or industry segment) that is likely to become value-less because of fleet groundings.

As an aid, you can use the FAA's table of "Design And Extended Service Goals," which was published in draft advisory circular 120-YY and which reflects the manufacturers' original or extended service goals according to certification documents. These figures are likely to form the basis for manufacturers' airframe life-limits that would be established under the rule if it is promulgated as proposed.

Continued on Page 7

Continued from Page 6

Airplane Type	Type Certificate	Service Goals (flight cycles)
Airbus		
-A300 B2-1A, B2-1C and B2K-3C	A35EU	48,000
-A300 B4-2C and B4-103	A35EU	40,000
-A300 Model B4-203	A35EU	34,000
-A300 B4-600 Series, B4-600R Series and F4-600R Series	A35EU	30,000
-A310-200 Series	A35EU	40,000
-A310-300 Series	A35EU	35,000
-A319 (all models)	A28NM	48,000
-A320 (all models)	A28NM	48,000
-A321 (all models)	A28NM	48,000
-A330 (all models)	A46NM	40,000
-A340 (all models)	A43NM	20,000
Boeing		
-Boeing 707 (-100 Series and –200 Series)	4A21	20,000
-Boeing 707 (-300 Series and –400 Series)	4A26	20,000
-Boeing 717 (all models)	A6WE	60,000
-Boeing 720	4A28	30,000
-Boeing 727	A3WE	60,000
-Boeing 737	A16WE	75,000
-Boeing 747	A20WE	20,000
-Boeing 757	A2NM	50,000
-Boeing 767	A1NM	50,000
-Boeing 777	T00001SE	44,000
Bombardier Aerospace		
-CL-44D4 and CL-44J	1A20	20,000
British Aerospace, Aircraft Group and Societe Nationale Industrielle Aerospatiale		
-BAC 1-11 (all models)	A5EU	85,000
British Aerospace (Commercial Aircraft) Ltd		
-Armstrong Whitworth Argosy A.W. 650 Series 101	7A9	20,000
BAE Systems (Operations) Ltd.		
-BAe146 (all models) and Avro 146 RJ70A, RJ85A and RJ100A (all models)	A49EU	50,000
Fokker		
-F28/F70/F100 (all models)	A20EU	90,000
Lockheed		
300-50A-01 (USAF C-141A)	A2SO	20,000
-L-1011 (all models)	A23WE	36,000
-L-188 (all models)	4A22	26,600
-L-382 (all models)	A1SO	20,000
-1649A-98	4A17	20,000
-1049-54, 1049B-55, 1049C-55, 1049D-55, 1049E-55, 1049F-55, 1049G-82, 1049H-82	6A5	20,000
-49-46, 149-46, 649-79, 649A-79, 749-79, 749A-79	A-763	20,000
McDonnell Douglas		
-DC-6	A-781	20,000
-DC-6A (all models)	6A3	20,000
-DC-6B (all models)	6A4	20,000
-DC-7 (all models)	4A10	20,000
-DC-8 (all models)	4A25	50,000
-DC-9 (all models)	A6WE	100,000
-DC-10-10	A22WE	42,000
-DC-10-30, -40	A22WE	30,000
-MD-10-10F	A22WE	42,000
-MD-10-30F	A22WE	30,000
-MD-11 (all models)	A22WE	20,000
-MD-80 (all models)	A6WE	50,000
-MD-90-30	A6WE	60,000

Damage Tolerance Rules Reflect a 1-2 Punch

At the same time that the FAA is proposing to life-limit all airframes in order to prevent widespread fatigue damage, the FAA is also proposing new damage tolerance rules.

The damage tolerance rule would require the maintenance community to review their STCs and other major alterations for damage tolerance issues, and to consider damage tolerance issues in all future major alterations. It is important to note that the rule applies not only to STCs, but also to any other alteration (developed by a TC or STC holder) that affects fatigue critical baseline structures.

The result of failure to publish damage tolerance information for an STC or other alteration is a little unclear – the proposal notes that the certificate holder's failure could lead to certificate action. It is likely that some FAA offices will try to claim that the parts subject to the alterations (for which no damage tolerance analysis was performed) may be unairworthy. When an STC or other major alteration has been accomplished on a component and that component is in a distributor's inventory, the effect of the alterer's failure to publish damage tolerance information could make the article worthless and/or unsalable.

More data on this proposal is available in these locations:

- NPRM imposing requirements on STC holders to perform additional damage tolerance analysis:
  http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=2006_register&docid=fr21ap06-14
- Proposed Advisory Circular 120-XX, Damage Tolerance Inspections for Repairs:
  http://www.faa.gov/aircraft/draft_docs/media/Draft_AC%20120-XX.pdf
- Notice of extension of Comments for Damage Tolerance Publications:
  http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=2006_register&docid=fr07jy06-20

This is another rule that promises significant financial impact on ASA members. ASA would appreciate any financial estimates that ASA members could provide as to the likely affect of this rule on your inventory.

FAA Working on Parts Substitution Issues

Installers are constantly asking 1) what they are permitted to install, 2) when the aircraft manufacturer is no longer in business, 3) why no one seems to stock the parts they need to repair their older aircraft, and 4) can they install an alternative part. These are important questions that face the installation industry; particularly those who work on older aircraft. And they are issues that can vex ASA members when the customer is looking for guidance from the parts supplier as to what parts might be acceptable substitutes.

To address these concerns, the FAA is developing an advisory circular on parts substitution policies for vintage aircraft. Although it is aimed at supporting the replacement of unavailable parts for vintage aircraft, it is likely to also provide general guidance that non-vintage aircraft customers can use in making their own parts substitution decisions.

The advisory circular is currently in internal coordination, so there is nothing yet available for the public to review. The FAA will likely release the draft AC for public comment early next year - before it is finalized.

New Guidance on Major Repairs and Alterations of Small Aircraft

The FAA has proposed revisions to Advisory Circular 23-19: Airframe Guide for Certification of Part 23 Airplanes. The advisory circular sets forth an acceptable means of showing compliance with the certification rules that apply to all of the small (Part 23) airframes.

The advisory circular (23-19'A') provides useful assistance to those seeking certification information in order to support data approval for major repairs and major alterations to Part 23 aircraft. With the increased emphasis on data approval to support major repairs and major alterations, it is especially important for the maintenance community to follow the certification guidance that forms the basis for these data approvals. This flows down to affect parts suppliers to the extent that they are providing the parts that the installer wants to use in the major alteration or repair.

The proposed guidance was out for comment until August 25, 2006 – but it is not too late to file relevant comments. The proposed guidance is available online at http://www.faa.gov/aircraft/draft_docs/media/Airframe Guide.pdf. Comments should be emailed to mark.james@faa.gov.

New Guidance for Old Cabin Interiors

The FAA is drafting a new Advisory Circular to assist with flammability testing of aircraft cabin interior panels. If you are working with customers to identify materials for use in interior refurbishment – especially where the original manufacturer of the interior materials is no longer available to provide spares or to provide data on comparable replacements – you may find this guidance particularly helpful.

Refurbishing cabin interiors often requires replacing the material on wall or ceiling panels. The refurbished panels must be tested and pass flammability requirements. When spare panels are not available for flammability testing and the panel is no longer in production, the only source for test panels may be from the aircraft itself.

Flammability testing is an important element of any data approval of a major alteration to the cabin interior. This proposed advisory circular will assist repair stations and mechanics in overcoming some difficult hurdles in accomplishing the necessary interior panel flammability testing. This proposed advisory circular provides specific guidance on how to gain approval of new aircraft cabin interior materials (interior walls, ceiling panels and other components) and even lists (in paragraph 3) the testing and flammability requirements.

The proposed guidance is available online at http://www.faa.gov/aircraft/draft_docs/media/HJensenSurrogatePanelDraftAC.pdf. Comments on this draft AC are due September 1, 2006 and should be emailed to hal.jensen@faa.gov.

2006 ANNUAL CONFERENCE

Conratulations to Harry Schaefer

Edward J. Glueckler Award Winner

ASA would like to congratulate

Harry Schaefer
Director of National Investigative Programs
Office of Inspector General, U.S. Department of Transportation

as the recipient of the
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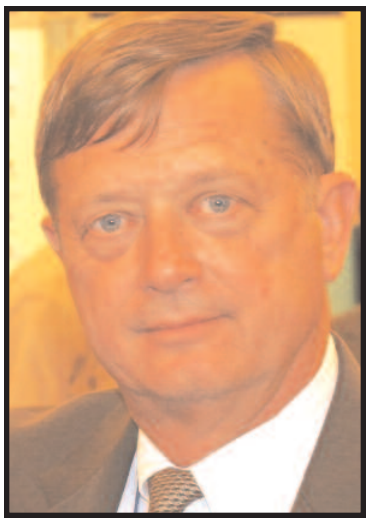
The award comes as Mr. Schaefer prepares for retirement from government service.
Congratulations Harry!



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FAA Proposes Revisions to Lightning Protection and Exterior Lighting Guidance

The FAA has proposed revisions to Advisory Circular 20-136: Protection of Aircraft Electrical / Electronic Systems Against the Indirect Effects of Lightning. ASA members who seek out the repair or overhaul of electronic components in their inventories may wish to review this proposal.

In this AC, the FAA recommends strategies for protecting aircraft electrical and electronic systems from the effects of lightning. The strategies are meant to apply to those who modify aircraft as well as those who modify the components in aircraft. The revised draft AC addresses lightning indirect effects on electrical and electronic systems and associated wiring, both on the aircraft exterior and inside the aircraft. Although it is primarily drafted to apply to new aircraft and equipment designs, it also applies equally well to modifications to existing aircraft or equipment; so the revisions will be particularly important to those performing any sort of electrical / electronic systems installation or alteration work.

The exterior lighting guidance is a policy memo that highlights antenna installations that may compromise the effectiveness of the upper anti-collision light. One purpose of this new guidance is to emphasize the effects of airplane modifications, especially external antenna installations, that impact the exterior lighting systems. ASA members selling antennae may want to highlight this proposed guidance to their repair station customers who purchase and install antennae.

The lightning AC revisions are currently in draft form and the FAA is seeking comments. The lightning draft can be found online at http://www.faa.gov/aircraft/draft_docs/media/AC 20-136A_rev8.pdf. Comments on the lightning draft should be submitted by email to richard.jennings@faa.gov by September 23, 2006. The proposed exterior lighting AC is also subject to comment. A copy of the exterior lighting guidance can be found online at http://www.faa.gov/aircraft/draft_docs/media/Modifications_Which_Impact.doc. Comments on the exterior lighting draft should be emailed to nazih.khaouly@faa.gov (due date was August 25, 2006, but it is not too late to file relevant comments).

New Guidance for Substantiating Engine Repairs and Alterations

There is a growing emphasis on maintenance repair and overhaul facilities as a customer base for ASA members. If you have customers that buy parts from you to perform major repairs and/or major alterations on engines, then you should examine the FAA's proposed guidance

Almost every part on an engine has the potential to put the safe operation of the aircraft in jeopardy, so the focus on data approval is particularly important in the engine arena. While the actual engineering work associated with approval can be straightforward, developing the programs for substantiating major repair and major alteration data – knowing what tests need to be done and what data needs to be derived - can be more of an art than a science.

The FAA is coming to the industry's rescue with guidance to help develop programs for substantiating major repair and major alteration data in the form of two draft advisory circulars.

The first draft AC specifically provides guidance for substantiating repairs and alterations. It is designed to assist maintenance personnel in developing technical / substantiation data for turbine engine repairs and alterations. The AC also provides guidance about how to categorize turbine engine parts as category 1 and category 2 type parts (which is related ot the new guidance under AC 43-18 for fabrication of parts by maintenance personnel). Finally, this AC provides guidance on part marking of turbine engine parts during repair and alteration, as well as repair of parts recovered from accidents and incidents.

Continued on Page 12

Continued from Page 11

The proposed substantiation AC can be found online at http://www.faa.gov/aircraft/draft_docs/media/33xxPUB-2.doc. Comments should be emailed to karen.m.grant@faa.gov by August 28, 2006.

The second draft AC provides acceptable methods for demonstrating compliance with the safety analysis requirements of 14 C.F.R. § 33.75 . This is important guidance for those performing engine modifications for which a STC is necessary (major changes to type design).

The proposed safety analysis AC can be found online at http://www.faa.gov/aircraft/draft_docs/media/3375-1X public.doc. Comments should be emailed to ann.azevedo@faa.gov by September 27, 2006.

FAA Proposes TSO Revisions

TSO revisions can often affect the value of items in your inventory that were made under the prior revision level of the TSO.

The FAA has published several draft revisions to technical standard orders (TSOs), and is seeking public comment on the proposed revisions.

1. DRAFT TSO-C5f, Direction Instrument, Non-Magnetic (Gyroscopically Stabilized): http://www.faa.gov/aircraft/draft_docs/media/ABranchTSO-C5fproposed.pdf (Comments due September 1, 2006).
2. DRAFT TSO-C62e, Aircraft Tires: http://www.faa.gov/aircraft/draft_docs/media/GSoteroTSO-C62eForPublic.pdf (Comments due August 12, 2006)

Anyone who handles directional gyros or tires should review these proposed changes to the TSOs.

The changes are not expected to adversely affect the approval of existing items manufactured under prior revisions of the TSOs; however new TSOAs (production approvals) will have to conform to the new design standards once these proposals are finally published; this may have some affect on the value of items manufactured under TSOAs issued under the prior revision levels of the TSOs.

DOT is Revising the Hazmat Emergency Response Guidebook

The Pipeline and Hazardous Materials Safety Administration (PHMSA) is soliciting comments on the development of the 2008 Emergency Response Guidebook (ERG), particularly from those who have experience using the 2004 ERG during a hazardous materials incident.

The ERG represents the US guidelines for immediate response to hazmat releases, and it is quite valuable to distributors because of the large number of aircraft parts that are actually considered hazardous materials. The ERG is the orange book that attendees receive (among other texts) during the ASA Hazmat Training class.

PHMSA has also established an e-mail address for interested persons to submit their comments: ERG2008@dot.gov. Written comments should be submitted on or before September 18, 2006. More information is available online at http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=2006_register&docid=fr19jy06-154.

Fuel Tank Safety Deadline Approaches

Got fuel tanks? Your clients will need to modify their fuel tank maintenance programs to comply with the new fuel tank safety rules by December 16, 2008.

Fuel tank safety has been a topic of discussion since the 1996 TWA 800 disaster. This accident, which occurred off the coast of Long Island, was attributed to a spark in the fuel tank – possibly an example of static electricity. Changes are being made to existing fleets to improve fuel tank safety.

Previously, there was some thought among FAA personnel that the fuel tank safety compliance date might be pushed back to the same dates as the deadline for the electrical wiring interconnection systems (EWIS) rules. The reason for this would be to avoid redundancies as responsible persons revise their maintenance instructions. The FAA has decided, however, that the fuel tank safety deadline WILL NOT be pushed back to match the EWIS deadline.

The announcement and complete discussion of this deadline-confirming activity can be found online at http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=2006_register&docid=fr07jy06-21.

Electronic Form 337

The FAA form 337 is used to record major repairs and major alterations. It is also used as the vehicle for the FAA's signature in the case of a field approval (approval of repair or alteration data by a FAA Flight Standards Inspector). The FAA has taken steps to better automate the process for filing these forms – this lays the foundation for future automation related to FAA forms.

When the industry uses the 337 for recording a major repair/alteration (but not when it is used for field approval), the inspectors in the FAA field offices have historically accepted Form 337s, and reviewed them for completeness. This can lead to forms being returned – and often the returned forms were returned for matters that reflect the personal opinion of the inspector rather than the regulatory will of the FAA.

The FAA will side-step this problem by implementing a system for electronic submission of the form 337. Local offices will no longer review the data for completeness because they are bypassed in the submission process.

Later this year, the FAA will be launching an electronic submission mechanism for 337s that should make it easier to file 337s. This represents just one more step in the move to electronic documentation for the aviation industry; a move that one day will lead to increased use of electronic 8130-3 tags.

Although the actual implementation date is unclear, the notice announcing this project was published on June 12 of this year. For more information on this program, you can direct questions or comments to Bob Stockslager, General Aviation and Repair Station Branch, AFS-340 at (717) 774-8271. More information is also available online at:
http://www.airweb.faa.gov/regulatory_and_guidance_library/rgorders.nsf/0/eca58c552e1424a58625719b005ac3d7/$FILE/N8300-121.pdf

FAA Takes Steps to Inform Public About Rights

The FAA has published a notice that directs FAA employees (Aviation Safety Inspectors) to provide the regulated public with information about the small business ombudsman at the Small Business Administration.

Many ASA members may remember that a legislative proposal to create a small business ombudsman program at the FAA was curtailed in a way that did not benefit most companies in the aviation industry. However, there is still a resource for small aviation businesses.

The National Ombudsman program exists to resolve regulatory unfairness. The Ombudsman should be contacted if you believe that the regulations are being enforced unfairly or irrationally, and they are adversely affecting one or more small businesses (including as your own business).

Under the new FAA guidance, Inspectors will be required to provide inspected persons with a fact sheet describing the National Ombudsman program. The fact sheet will apprise the inspected party of the opportunity to bring complaints to the National Ombudsman. Because inspections of distributors tend to be informal, these facts sheets may not be made available. It is important for ASA's members to know that the Ombudsman exists to resolve regulatory unfairness.

National Ombudsman program officers can be contacted at 1-888-REG-FAIR. It is also important for ASA members to know that they should bring complaints as early as possible and not wait until the matters get worse. Bringing a complaint before an enforcement action or other regulatory action is much better than waiting until the FAA action is brought.

A copy of the FAA notice concerning the National Ombudsman program can be found online at http://www.airweb.faa.gov/regulatory_and_guidance_library/rgorders.nsf/0/dc10c619e591be818625719b00730bf0/$FILE/N8000-324.pdf

ASA Board of Directors Election - Nominations Due September 8

ASA is currently accepting nominations for the Board of Directors. Each Director on the Board of Directors is elected to a two year term. The Directors are representatives from Member Companies. In order to nominate a person, the nominating company must be an ASA Member. Only ASA Members that are in good standing, can vote. The Board is responsible for overseeing the business affairs of the Association as well as developing the long term financial and strategic plans for the Association.

Directors devote a substantial amount of their personal time to ensure the success of the Association. There are four, quarterly meetings as well as frequent conference calls between the meetings. Costs associated with attending the Board Meetings are borne by the Director. In order to run for the Board of Directors, the nominee must be a representative from a Member Company that is in good standing. Please fax (202-347-6894) or email (michele@aviationsuppliers.org) nominations to Michele Dickstein by 2pm EST on **September 8, 2006**. If you are sending the nomination via email, please call Michele (202-347-6896) to confirm receipt. Ballots will be sent to all Members the week of September 11, 2006. Election results will be announced on September 28, 2006. The 4th quarter Board of Directors meeting is scheduled for Sunday, November 12 and Monday, November 13, 2006 and will be held in Washington DC.

UNAPPROVED PARTS NOTIFICATION

SUSPECTED UNAPPROVED PARTS PROGRAM OFFICE, AVS-20
13873 PARK CENTER ROAD, SUITE 165
HERNDON, VA 20171

U.S. Department
of Transportation

Federal Aviation Administration

No. 2006-00032
July 31, 2006

http://www.faa.gov/aircraft/safety/programs/sups/upn/

AFFECTED AIRCRAFT
Bell Model 206B helicopters: registration no. N16849, serial no. 2355; and registration no. N49588, serial no. 1726.

PURPOSE
The purpose of this notification is to advise all aircraft owners, operators, maintenance organizations, manufacturers, and parts distributors regarding improper maintenance and operations performed on Bell Model 206B helicopters with registration no. N16849, serial no. 2355, and registration no. 49588, serial no. 1726. Both aircraft were owned and operated by Bali Hai Helicopter Tours, Inc.

BACKGROUND
Information received during a Federal Aviation Administration (FAA) investigation of the fatal accident involving aircraft N16849 revealed that Bali Hai Helicopter Tours, Inc. (Bali Hai), located at P. O. Box 626, Hanapepe, HI 96716, did not use or have in place an accurate method for tracking accumulated time on the two helicopters and their components. No times had been recorded for maintenance, repositioning, FAA check-ride, or all other flights not associated with flightseeing tours. When tracking flightseeing tours, Bali Hai recorded the projected time of the tours and not the actual flight time.

Evidence indicated that the hour meter for both helicopters had been inoperative and disabled for several years. In addition, pilots did not maintain any flight log that included entries for flight time. The information available is insufficient to determine the total time accumulated on the aircraft and their components. Therefore, the current status of the life-limited and overhauled parts of each airframe, engine, rotor, and appliance cannot be established.

In addition, evidence indicated noncompliance with information issued in Airworthiness Directives and technical and service bulletins as well as an absence of tracking scheduled inspections.

The table below presents a partial list of components that were installed on the aircraft.

Continued on Page 16

Continued from Page 15

PART NAME	PART NUMBER	SERIAL NUMBER	QUANTITY
Airframe	Registration Number N49588	1726	1
Clutch	CL-42250-1	FD-15996	1
Coll. Lever Assy.	206-010-467-001	RE-2972	1
Coll. Link Assy.	206-010-407-001	REFS-2335	1
Fitting	206-011-140-001	MIFS-1224	1
Fitting	206-011-140-001	MIFS-903	1
Freewheeling Assy.	206-040-270-003	BMB-10476	1
Hyd. Pump	206-076-022-005	B-354	1
Hyd. Servo Actuator	206-076-031-013	2572	1
Hyd. Servo Actuator	206-076-031-013	6157	1
Hyd. Servo Actuator	206-076-031-013	035	1
Latch Bolt	206-011-260-103	DI-15798	1
Latch Bolt	206-011-260-103	DI-15922	1
Lower Coll. Tube	206-001-194-001	USFS-466	1
M/R Blade Assy.	206-010-200-133	A-5444	1
M/R Blade Assy.	206-010-200-133	A-5633	1
M/R Grip	206-010-102-121	A-4174	1
M/R Grip	206-010-102-121	A-4305	1
M/R Hub	206-011-100-017	MDLM-0529	1
M/R Mast	206-010-332-121	FAJF-59234	1
M/R Trans. Sun Gear	206-040-662-101	A-505	1
M/R Transmission	206-040-002-029	BKW-10546	1
Main Driveshaft	206-040-015-103	A20-00942	1
Retention Pin	206-010-123-003	HBFS-1015	1
Retention Pin	206-010-123-003	HBFS-974	1
Retention Strap	206-011-154-105	LPFS-21429	1
Retention Strap	206-011-154-105	LPFS-21435	1
Sleeve Assy.	206-010-454-109	RE-8540	1
Support	206-010-452-113	A-2319	1
Swashplate Assy.	206-010-450-011	JIJG-09610	1
Swashplate Bearing	206-010-443-001	17057	1
T/R Blade	206-016-201-133	CS-1202	1
T/R Blade	206-016-201-133	CS-1211	1
T/R Blade	206-016-201-133	CS-1885	1
T/R Blade	206-016-201-133	CS-1901	1
T/R Duplex Bearing	206-040-410-101	J-4001	1
T/R Gearbox Assy.	206-040-400-11	ALO-10611	1
T/R Hub Assy.	206-011-810-125	A-5072	1
T/R Yoke	206-011-811-009	GD-8014-12	1
Trunion	206-011-113-103	A-1505	1
Engine	250-C20B	CAE822805	1
Bleed Valve	23053176	FF-49569	1
Compressor	6890550	CAC-35701	1
Fuel Control	2524644-30NH 23065104	331998	1
Fuel Nozzle	6890917	AG-37369	1
Fuel Pump	6899253	T-4125	1
Gearbox Assy.	6894171	CAG-23266	1
Governor	23007505	14747	1
Governor	23065123	24392	1
Turbine Assy.	6898734	CAT-32678P	1

Continued on Page 17

Continued from Page 16

RECOMMENDATIONS

Regulations require that type-certificated products conform to their type design. Aircraft owners, operators, manufacturers, maintenance organizations, and parts suppliers and distributors should inspect their aircraft, maintenance records, and/or parts inventories for any of the referenced parts. If any of these parts have been installed on aircraft, appropriate action should be taken. If any are found in existing aircraft stock, the parts should be quarantined to prevent installation until a determination can be made regarding their eligibility for installation.

FURTHER INFORMATION

Further information concerning this investigation, and guidance regarding the above-referenced parts, can be obtained from the FAA Flight Standards District Office (FSDO) given below. The FAA would appreciate any information concerning the discovery of the above-referenced parts from any source, the means used to identify the source, and the actions taken to remove the parts from aircraft and/or stock.

This notice originated from the FAA Honolulu Flight Standards District Office, 135 Nakolo Place, Honolulu, HI 96819-1845, telephone (808) 837-8300, fax (808) 837-8399; and was published through the FAA Suspected Unapproved Parts Program Office, AVS-20, telephone (703) 668-3720, fax (703) 481-3002.

Component Control Keeps Up with Market, Technology

When San Diego-based Component Control launched its first software package—a parts inventory database aimed at small aviation service centers—in the early 1980's, the DOS-based application represented the cutting edge of computer technology for the time. Nearly 25 years later, Component Control now offers a true enterprise resource planning (ERP) system—Quantum Control—with multiple modules for a wide range of aviation business functions, including a secure web-based parts search network listing more than 20 billion individual parts from more than 600 customers around the world. For Component Control's 40-plus employees, some of whom have been with the company nearly since its foundation, the journey between the two points has been exciting.

"Not too long ago, business software was classified as information technology (IT), and parts listings were considered information services," said Z. Bar-On, who took over as Component Control CEO in 1998. "We really pioneered the merging of IT and information services into one integrated information package."

Quantum Control combines aircraft maintenance, shop floor control, inventory management, accounting, e-commerce, sales and invoicing, and other business functions into one comprehensive, scalable solution that's as affordable for small and medium-sized aviation companies as for OEMs. The more than 750 customers in 42 countries currently using Quantum to manage their aviation operations represent a cross-section of the entire aviation industry, including airlines, manufacturers, parts distributors, suppliers, MRO [maintenance, repair and overhaul] facilities, fractional ownership entities and FBOs.

"We have the largest footprint in terms of the sheer number of business aviation solutions running our product, more than any other application out there," Z. said. "We are very much a brick and mortar part of the aviation community."

Continued on Page 19

Quantum Control

Business Software *Integrated with the* StockMarket

Inventory Management*
The cornerstone for the Quantum Control system. The parts summary screen provides a central viewpoint for all information and activity related to a given part.

The StockMarket
Quantum users can search, buy, and sell parts with other Quantum Users in real time without leaving the software. Inventory postings are automatic and can include details such as serial numbers, images, time life and prices.

Quotation Processing*
Manages the customer quotation process and the recording of supplier responses from outgoing RFQs.

Vendor Quotes*
Provides a tool to locate sources for part procurement and send out requests for quotes to multiple vendors, including multiple lines.

Sales Orders*
Manages the customer order process to include back order management, invoice preparation and product returns.

Invoice Management*
Provides the opportunity to manage the invoice process by viewing system wide for open sales orders and determining if these can be expedited or consolidated with existing invoices, etc.

Purchase Orders & Requests*
Manages the purchasing process including request routing and approval by dollar amount and employee position. Manages purchasing activity for stock, non-stock and exchange.

Purchase Management*
Provides the capability to manage purchasing activities by being able to review all parts needed for procurement based upon sales order requirements and below minimum level stock quantities.

Integrated Accounting
The Accounting Module includes General Ledger, Accounts Receivable, Accounts Payable, and more - all integrated with Sales, Purchasing, Repair, Exchange, Work Order and Invoicing modules.

Physical Inventory*
Manages the physical inventory process. Generates count sheets for manual or barcode counting efforts.

Receiving and Inspection*
The receiving module is a powerful tool for efficient, cost-saving receiving, intermediate and final inspection, and defect recording.

Shipping Management
Manages the shipping and order consolidation process to include user defined stages and statuses. Creates custom invoices, packing slips and certification forms within one shipment.

Demand Planning
Optimizes material and production planning by analyzing historical usage and projecting future demand. Recommends minimum and maximum order quantities based on lead time and forecasted demand.

Lot Costing
Manages lot purchases and assembly teardowns. Provides total tracking of acquisition costs, overhaul expenses, component part sales, profit margins and full traceability.

Data Services
Provides flexible tools to manage the process of both importing and exporting data to/from the Quantum database. Integration points include ILS, USA Info, Partsbase and AvRef.

Management Reports*
Produces hard copy and screen oriented reports supporting all modules throughout the system.

Crystal Reports 11 Pro
Create flexible, feature-rich reports allowing unlimited reporting from Quantum, using the de facto standard for business reporting today.

Aircraft Maintenance
Manages on wing maintenance and includes Engineering Configuration Management, Maintenance Program Management, Maintenance Recording, Technical Records and Flight Log Processing Modules.

Shop Control
Manages the complete Component and Assembly Repair and Overhaul process. Includes real-time Cost and Schedule Management functions that put you in complete control of your shop's activity.

Manufacturing
The Manufacturing Module addresses all aspects of the manufacturing process including product lines, floor control, inspections, materials planning, purchasing and outside servicing.

Repair Orders*
Manages the preparation, pulling from inventory, shipping and receiving of components sent out for repair. The Repair Order module provides historic as well as current repair cost per component, detailed by parts, labor and miscellaneous charges.

Contact Management
This module provides a tool for sales, service or support centers to record, track, status and assign contact activity. Email list management and broadcasting is also included.

Document Imaging
Provides the ability to attach images or documents against part number, stock line, work order, and company.

Company Management*
Contains both customer and vendor information including pre-defined settings such as payment terms, preferred method of shipping, discounts, tax and more. It can also group vendors and suppliers for marketing purposes and provide detailed history information for each vendor and supplier.

Internet Quantum™ (iQ)
The Internet Quantum module (iQ), utilizes Stock Market technology to allow customers to login to your website and view, RFQ, or purchase from your existing stock in real-time. Information such as condition, time & cycles remaining, tag info, scanned documents, delivery time and more is available to assist users in their purchasing decisions.

Max-Q
With Max-Q you get Aviation's leading Business Application, Quantum Control, implemented with the latest database technology from Oracle to provide the ultimate in database Security, Reliability, Scalability and Performance.

Bar Coding
Prints bar codes and allows for the scanning of physical inventory to track and manage stock and account for all parts when shipping, receiving, etc.

Repair Manual Tracking
Tracks all publications and revision dates and review dates. Provides for manual effectivity by part, customer and ATA. Integrated with the Shop Control module providing specific manual requirements for individual work orders.

Rental and Leasing
The Rental and Leasing module has the versatility to handle all of your rental and leasing transactions including flight-time based billing.

GFI Faxmaker
This is a fax manager that supports "background" faxing from all Quantum users by using a service based system. This is a third party MAPI complant fax manager supporting multiple fax servers and Citrix.

AVREF Catalog Files
The AVREF Catalog System provides the latest OEM pricing information along with access to Government MCRL cross reference data. Completely integrated with the Quantum Inventory Module.

*Standard Quantum Module

Ask About Our Referral Program

Component Control ~ 619.696.5400 ~ info@componentcontrol.com ~ 1731 Kettner Blvd., San Diego, Ca, 92101

Continued from Page 17

Z. used Component Control products in his own aviation parts distribution company for several years before joining the technology company as its lead officer. His experience in gauging industry needs helps direct Component Control's software offerings to ensure customers receive the tools they need in the ever changing market. According to Z., one of the biggest challenges currently facing many aviation suppliers and MRO companies is the airline industry's recent shift from in-house to outsourced maintenance.

"The airlines are trying to simplify the way they are doing business," Z. said. "Rather than buying aircraft, more airlines are leasing their aircraft, pushing the responsibility for maintenance operations down to the leasing companies. In turn, those companies are outsourcing the operations, forcing suppliers to manage rotable Pools, inventories, and even aircraft and engines that were previously managed by the airlines themselves."

Component Control's mission is to provide those MRO and other aviation companies the tools they need to support those new responsibilities, adding engine leasing, aircraft management, and consignment management to the standard aircraft maintenance tracking package. "The push of outsourcing those services is making the marketplace more efficient," Z. said, "With our software, we provide the underlying technology so MRO companies can manage it all and still be more efficient and successful in what they do."

Airlines and other organizations are also leaning toward non-traditional ways of turning assets into revenue, such as stripping down an engine that's no longer economical to run or repair as is, and selling off the parts. Recognizing the need for an easy way to allow buyers and sellers to exchange pricing information instantaneously, Z. turned to his technologically advanced team of software programmers to develop an Internet-based solution. The result—Component Control's aviation parts network called StockMarket—rolled out in late 2004.

A seamless extension of Quantum Control, StockMarket allows users to instantaneously post items for sale to an open community of aviation/aerospace buyers, who can in turn respond with an RFQ or bypass the RFQ process, depending on the seller's preference. All communication can be handled paperlessly; the secure central database handles communication efficiently from within Quantum.

"StockMarket is a derivative of real-time information flowing from many of our customers into one centralized database," Z. explains. "For the 630+ Quantum users who have decided to post inventory on StockMarket, their excess inventory is continuously monitored and updated in real time. There's no double entry required to show potential buyers the item name, part number, description, image, and other information."

While Component Control provides the underlying technology to allow buyers and sellers to get together, the company does not dictate any type of pricing strategy. In fact, the flexibility of software allows sellers to post prices for some items, require an RFQ for others, and post yet other items with a "Buy Now" function that automatically accepts and processes credit card purchases.

"The marketplace will set pricing on its own terms," Z. said. "We are only there to accommodate the marketplace and give our customers the tools to negotiate better, without interfering in market pricing dynamics."

Because staying in touch with customers and other users is so important to Component Control's mission to support marketplace needs, the company actively supports ASA and its conferences. It's often at ASA conferences that Component Control personnel get the best feedback on whether their products are meeting industry needs.

"The ASA gives us exposure to very important customers," said Z. "We believe the ASA conferences are the best run of any of the aviation conferences we attend."

Component Control has been a member of ASA since 1999.

CONTACT US!

ASA Staff is always interested in your feedback. Please contact us with any comments or suggestions.

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2006 CALENDAR OF EVENTS!

Mark your calendars for these upcoming ASA Regulatory Workshops!

October 11.....Phoenix, AZ
October 17.....Newark, NJ
November 2.....Dallas, TX
November 29.....Chicago, IL
December 5.....Seattle, WA
December 7.....Los Angeles, CA
December 14.....Miramar, FL
TBA.....Europe
TBA.....Singapore

Registration for the Workshops will be available soon! Please contact ASA for additional information.

AND Look for Jason or Michele at the following industry events:
October 8-10.....MARPA Annual Conference, Tempe, AZ

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