

The UPDATE Report



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*FOR THEIR ACCREDITATION,
AND*

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REGULATORY UPDATE

New Guidance from the FAA

The FAA has recently released several significant documents that are likely to affect distributors.

This month's issue begins with a short analysis of the proposed rules concerning manufacturing, known as the Part 21 Notice of Proposed Rulemaking (NPRM). ASA will publish a more detailed analysis of the effects of this NPRM on the distribution community, as there *will* be elements of this rule that affect distributors.

A significant portion of this month's issue will be the discussion of Order 8130.21E, which is the latest revision to the rules for the 8130-3 tag.

FAA Releases Proposed Manufacturing Rule

The FAA has released the Part 21 notice of proposed rulemaking (NPRM). The project involves sweeping changes to the Part 21 manufacturing rules. It also included changes to Part 1 (definitions and acronyms), Part 43 (maintenance) and Part 45 (part marking).

The Part 21 rewrite began as a project of the FAA Aviation Rulemaking Advisory Committee (ARAC). ASA was a part of the ARAC team that brought the original draft to life. The process began in 1993, and ARAC provided the draft to the FAA in February 1998. It has been a long, slow process that has taken another eight-and-a-half years to bring the draft to the NPRM stage.

The proposed rule is meant to better harmonize U.S. standards with European standards, and it enhances quality system requirements to improve production quality.

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MESSAGE FROM ASA'S PRESIDENT

THE UPDATE Report

is the monthly newsletter of the Aviation Suppliers Association.

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Dear Members,

This month's newsletter provides details regarding Order 8130.21E. This Order is extremely important as it provides details regarding obtaining the 8130-3 document. While it is an improvement from version D, there are still areas that need to be fixed, including the supporting documents. ASA will be discussing these areas and also continuing to support the FAA adding electronic documentation to the next version.

The release of the NPRM on Part 21 is huge and, as predicted by Jason at every ASA conference, it was released in 2006. The NPRM changes all aspects of manufacturing approvals. ASA will be submitting comments to the FAA. If you would like for ASA to include your comments, please forward the comments to Jason Dickstein.

We are pleased to announce the Board of Directors results. The number of companies that voted in the election is twice as high as the last few elections. We are also thrilled that Greg McGowan has accepted the Board of Directors appointment. Deb Maier's departure from the Board is unfortunate, as she provided a great amount of assistance in planning the conference and developing future benefits for the membership. We look forward to working with Greg on these projects. The Board of Directors meets quarterly with its next meeting on November 12th and 13th. If you have an issue or topic that you want the Board to discuss, please feel free to contact a Director or myself.

The QA Committee is scheduled to meet November 3rd and 4th at Aviall in Dallas, Texas. The meeting is open to all members. Agenda topics are human factors, hazmat, security, Order 8130-21E, proposed changes to ASA-100, Barry Amendment and more. If you are interested in attending please contact ASA.

This month we also started the 2006 regulatory workshop series. More information on the workshops can be found on Page 5.

Take Care,
Michele Dickstein

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The proposed rule includes both new and revised definitions. The definition of "approved" would be modified. There would be a series of new definitions of terms like article, commercial part, standard part, product, airworthiness/design/production approvals and state of design / manufacturer.

New quality system requirements will include changes to design data control, document control, supplier control, and manufacturing process control.

Production approval holders will be required to issue 8130-3 for all new parts. They will be responsible for controlling their own certifying staff. The requirement for class II and class III parts to be located in the U.S. as a condition of receiving 8130-3 will be removed; 8130-3 tags will be issued anywhere in the world as long as the part meets the requirements for issuance.

Manufacturing record retention requirements increased from two years to five years. TC applicant will need to obtain the PC within six months of issue of the TC.

PMA quality system has been redrafted to better harmonize it with PC requirement.

The export rules have been significantly rewritten. Much of the 'meat' of the rules will be moved from the regulations to the guidance material. There will be more opportunity to obtain export tags for used articles, as the 'newly overhauled' requirement has been removed.

Parts marking requirements are changing as well. PMA parts will no longer be required to be marked "FAA-PMA." Installation eligibility will also be removed from the marking requirements for PMAs.

The comment period on this rule is open until January 3, 2007. The FAA plans to have the final rule drafted by July, 2007 and will then begin engaging in internal coordination which should lead to publication of the final rule by April, 2008. This is a very aggressive FAA timetable, and no one should be surprised if there is slippage in the timetable. The FAA plans to establish an eighteen-month phase-in period; under the proposed schedule this would mean that the new rule would be effective in October, 2009.

New Instructions for the 8130-3

In less than 20 years, the 8130-3 Tag has become one of the most important documents in aviation. It should come as no shock to anyone then that the new instructions for the 8130-3 tag are one of the hottest aviation items on the Internet right now.

In recent years, ASA has worked closely with the FAA to lobby for certain changes in the form that members thought were necessary in order to permit commerce to flow smoothly without jeopardizing safety. Many of the changes that ASA has been seeking have now been implemented in the most recent revision to instructions for the airworthiness authorization form, Order 8130.21E.

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History

Originally conceived under the name Form 186, the form we now know as the 8130-3 tag was originally meant to be an export airworthiness approval that verified for foreign trading partners that the item to which the tag was attached was in an airworthy condition. In the 60s, this verification came directly from the FAA, and it represented a government-to-government communication. The tag was known as an “export airworthiness approval.”

In the early 90s, the 8130-3 tag had a major mission change, as the form was expanded to allow for two major sorts of uses: airworthiness approval, which was covered under one signature block (on the left side of the form), or approval for return to service following alteration, maintenance or preventative maintenance (the signature block on the right side of the form).

General Rules and Conditions

The new guidance becomes effective on the six-month anniversary of its issuance. This allows industry time to make necessary logistical and infrastructure changes in order to reflect the new standards. The issue date is September 29, 2006. Note that the issue date is inaccurately labeled “effective date” on the version of the guidance that is currently available online. The actual effective date of the guidance is six months later, on March 29, 2006.

Blocks 4 - Name and Address

In the previous version of Order 8130.21, distributors who applied for 8130-3 tags were required to include in block 4 both their name and address and also the name and address of the production approval holder.

There were significant questions about which name and address was appropriate to identify the production approval holder. For example, if a part was made by McDonnell-Douglas, should the tag identify McDonnell-Douglas or should it identify Boeing (who bought McDonnell-Douglas)? If the production approval holder has more than one production facility, then which address should be used, particularly if you cannot tell at which manufacturing facility that part was fabricated?

Rather than address all of these questions with detailed guidance, the FAA simply removed the requirement for the extraneous information. Now, accredited distributors who obtain 8130-3 tags simply need to assure that their own name and address are placed in block four.

Blocks 4 and 13 – Production Certificate / Project Numbers

In the previous version of Order 8130.21, distributors who applied for 8130-3 tags were required to include in both block 4 and block 13 either a production certificate number or a project number associated with the production approval holder for the article in question. Accurate and complete information of this sort proved to be practically impossible to obtain for parts coming from certain production approval holders (for a variety of reasons). The revision eliminates this requirement for distributors, and so that there will be no confusion, the ‘E’ revision specifically excludes tags issued at the facility of an accredited distributor from the requirement to publish these numbers on the tags. Instead, only the name of the manufacturer (production approval holder) is required to appear in block 13.

Block 9 (Eligibility)

Block 9, (Eligibility) is no longer required to be completed and should hereinafter read “N/A” in all newly-created 8130-3 tags.

This block has long been a source of problems for the industry, because frequently it can cause transactional problems if it does not list the specific model that the customer owns, even though the tag is not a controlling document, and the illustrated parts catalog may list the part, by part number, as being the appropriate part for the installation.

This is a change that ASA has sought for a number of years.

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Block 12 (Status/Work)

The term “EXPORT” is no longer one of the permissible terms that maybe used in Block 12 (Status/Work). This term was added in the “D” revision to the Order to identify the sole function of exporting a class II or III product. The FAA rescinded this term in order to support greater harmonization with European documentation standards.

Block 13: “For Domestic Shipment Only”

In previous versions of the order, DARs were directed to write the phrased “for domestic shipment only” in block 13. This phrase caused considerable problems when parts were subsequently exported, because an 8130-3 tag among the historical data package that had this phrase on it would often mislead recipients into thinking that the part was ineligible for export. This was a particular concern in the post-911 world of heightened awareness and concern over compliance with the United States’ export regulations.

ASA discussed this matter with the FAA and the FAA agreed to retract it the language. This was done through a memo that was issued in 2005. Despite this memo, many FAA employees continued to insist that DARs add the “for domestic shipment only” language to block 13. The newest revision to 8130.21 removes this “for domestic shipment only” language from the guidance. Note that the “for domestic shipment only” language still exists in the guidance for class I products (engines and propellers). These are items for which there may be genuine differences between the analysis associated with a domestic tag and an export tag (due to the fact that the import standards may be materially different, and may need to be reflected in the export 8130-3 tag).

Block 13: Identification of Use

This version of the guidance clarifies that Block 13 will identify what the form is being used for each time it is issued. The term “airworthiness approval,” “approval for return to service,” “conformity inspection,” “prepositioned product,” and/or “export” should now be written in block 13 to identify the specific function that the 8130-3 tag is being used for.

Documentation of Bulk Shipment Splitting

In the last revision to the Order, the FAA had published a recommended procedure for splitting bulk shipments. This procedure was based on the way that ASA members were splitting bulk shipments under the accreditation program. This set of procedures has been refined, and the new process looks like this:

- (1) Make a copy of the original Form 8130-3 received with the original shipment of products, parts, or appliances.
- (2) Include the following written certifying statement (an example) or similar statement:
“(Company name) certifies that [this/the attached] document is a true copy of the authorized release certificate. The original authorized release certificate received by our facility is maintained on file pursuant to our document retention standards. That original Form Tracking Number is [OEM-549]. The new tracking number for this split bulk shipment is [OEM-549]. The number of products, parts, or appliances being shipped under this certification is [500]. Signed [quality control/assurance manager] Dated [month/day/year]” (See figure 2-6b of this order for an example.) A quality control/assurance manager from that facility must sign and date the written statement. You can include this statement in one of two ways:
 - (a) Attach the copied Form 8130-3 to a separate sheet of paper. Indicate that the copied Form 8130-3 that accompanies the products, parts, or appliances is a “certified true copy of the original” maintained on file.
 - (b) Apply a stamp form of the statement to the copied Form 8130-3 and complete it.
- (3) Maintain the original Form 8130-3 and a copy of the written “true copy” statement on file.

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Comment-by-Comment Analysis

Following is a comment-by-comment analysis that summarizes each of ASA's comments and explains each FAA response to ASA's comments. As you can see, ASA's comments were quite successful in shaping the final language of 8130.21E to represent a much-improved guidance document.

1. Definition of "Trading Partner."

The definition of "trading partner" read: "A person issuing Form 8130-3 and a person capable of receiving Form 8130 3 in the form of electronic data." However, some trading partners will not issue new 8130-3 data, but rather they will merely transmit the original data. This may be because the original data is adequate without supplementation (as in the case where a new part is sold from one party to the next) or it may be because the transmitter is not competent to issue the 8130-3 tag (as in the case of a distributor transmitting such information to a customer). Therefore, the definition should be focused on transmitting the data, not issuing the Form 8130-3 data. ASA asked that the definition of "trading partner" be changed to "A person transmitting Form 8130-3 and a person capable of receiving Form 8130 3 in the form of electronic data." The FAA removed the definition entirely, which meets ASA's needs.

2. Use of the word "Export" in block 12 in paragraph 406(l).

"Export" is not a word used by EASA in block 12 so removal makes sense from the standpoint of harmonization. Further, it is not necessary, since any part that is exported under an 8130-3 tag can be described as either (newly) overhauled or new. Finally, it only serves to introduce additional confusion into the system because it is an alternative permissible entry that may be used in the same circumstances as other phrases are currently used (like "overhauled" and "new") which means that there will be additional confusion among the customers as two different customers may insist on two different block 12 terms for an otherwise identical transaction, making it difficult for one such customer to accept a part that had been previously exported to the other customer. The term is also extraneous because the current rules adequately require block 13 identification of export airworthiness tags. In response to ASA's arguments, the FAA removed the term "export" from the list of block 12 permissible terms as we had requested.

3. Domestic tags are discouraged from being used for export purposes in paragraph 205(a).

ASA asked that the FAA remove the sentence that reads "This section is not to be used for export of products, parts, and appliances." This sentence appeared to be a limit on 8130-3 tags issued at a distributor's facility.

What has come to be known as 'the domestic tag' has long been used to satisfy foreign customers in both bilateral nations and non-bilateral nations. Most customers in non-bilateral nations are happy with any expression of compliance with FAA standards. Customers in bilateral nations are often happy to accept 'domestic' 8130-3 tags to the extent that they can verify that the article is not subject to any special import requirements of the importing nation. Under those circumstances, the 8130-3 tag is not strictly being used as an export tag, but rather it is used to facilitate the airworthiness finding by the non-U.S. installer, and the installer understands that the 'domestic' tag provides information only about findings of compliance with US law, and does not speak to compliance with any special import requirement of the foreign nation.

Generally speaking, it is normal for foreign nations to have NO special import requirements that apply to export class III parts. Based on this recognition, many foreign importers have happily accepted the US domestic tag, with full knowledge of its limitations, but secure in the knowledge of their own country's laws and comfortable with making their own determination that there are no applicable special import requirements in their home country.

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One reason this use of domestic tags has become necessary is because in our bilateral agreements, the FAA has pledged to provide airworthiness approvals with all exported parts (including export class III parts), but the FAA has failed to provide a mechanism by which an exporter (other than a manufacturer) may apply for an export 8130-3 tag for an export class III article.

Limits on use of 'domestic tags' for export purposes only serve to add confusion in circumstances where many foreign buyers are already conversant with their own home nation's special import and other requirements

Based on this argument, the FAA adopted ASA's suggestion and removed the limiting language.

4. Paragraph 205(b) references FAA Order 8100.8, but that order does not support FAA Order 8130.21.

The FAA removed the reference to 8100.8 in this location, as ASA requested; however, the FAA also explicitly removed the references to function codes in this entire Order, deferring to the function code descriptions in 8100.8.

FAA Order 8100.8 does not provide a function code by which a maintenance DAR may issue the domestic form 8130-3. When the function codes lived in AC 183-35, the language of FC 23 was adequate to include domestic tags for parts. In a prior meeting with the FAA, FAA Management characterized FC 23 as having been mistyped when it was included into FAA Order 8100.8, and the unintended consequence of the change was to remove the basis under which Maintenance DARs were permitted to issue domestic 8130-3 tags for parts. Since that time, the FAA has issued written policy guidance permitting at least one FSDO to permit Maintenance DARs to issue domestic 8130-3 tags for class 3 parts under FC 32 privileges (which, by the plain language, is limited to the issuance of export class II tags).

ASA will need to address some of the deficiencies in the functions codes used in 8100.8, as they may not adequately support certain functions performed by DARs for distributors.

5. The text of subparagraphs 205(b)(3-4) could be better arranged in order to eliminate some confusion. Also, the current arrangement of the language suggests that only documentation (and not parts markings) is acceptable, when elsewhere it is clear that parts markings are an acceptable method of traceability (this was implemented as a 'fix' from an earlier revision of this guidance.).

The FAA adopted ASA's proposed language for subparagraphs 205(b)(3-4), eliminating some ambiguities in the sort of information that a distributor must present in order to demonstrate that a part is eligible for airworthiness approval.

6. Splitting of bulk shipment for export purposes under paragraph 207(b)(4).

Export 8130-3s are addressed elsewhere – inclusion of this language in this section merely causes confusion. In particular, there are instances where foreign companies have received partial lot shipments and they have balked at receiving them because of this language. They did not require any export documentation normally (they did not have any special import conditions for class III parts so they normally did not require 8130-3 tags for any other shipments), but they felt that the FAA 'required' them to obtain a fresh export 8130-3 in lieu of the partial lot documentation because of the specific language of paragraph 207(b)(4).

The FAA removed this language, as ASA requested. The final version has placed at paragraph 207(b)(4) the language that had been originally found at paragraph 207(b)(6) in the draft.

7. The title of paragraph 207(c) is misleading.

ASA asked that the FAA reword the title of the section that had been entitled "Splitting Bulk Shipments for Domestic Purposes." This is the section that provides guidance for the sort of splitting of bulk shipments that occurs when a distributor receives a single 8130-3 tags for multiple pieces (e.g. for hardware) and then must split that single shipment into multiple smaller shipments for customers. ASA's concern was over the limitations associated with the word "domestic" in the title.

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ASA explained that there are instances where foreign companies have received partial lot shipments and they have balked at receiving them because the language in 8130.21D suggested that distributors may only split and sell partial lots to domestic customers. There is no policy reason for such a limit on exports; and further the requirements for export certificates (like determining compliance with the importing government's special conditions) still apply to their issuance in the event that the customer needs export certificates.

In response to ASA's comments, the FAA removed the word "domestic" from the title of this section, and changed the title to "Splitting Bulk Shipments for Procedures and Documentation."

8. Eliminate the need for project numbers in block 4.

Previously, distributors were required to include the manufacturer's PC number or project number on the 810-3 tag. This was an impossible burden in some cases where a manufacturer had multiple PC numbers (e.g. due to mergers) or where the project number could not be ascertained.

ASA asked the FAA to make it clear in this paragraph that distributors do not need to use production project numbers on their 8130-3 tags (per subsection (d)(4) of this section). The FAA responded by curtailing the language in the instructions for block four to make it clear what information needs to be included when an 8130-3 tag is created at a distributor's facility: the distributor's name and address must go in block four. Figure 2-4 in the final draft is now coordinated with this language to make this information clear.

9. Make sure that the language of this paragraph 208(d)(3) adequately reflects current law.

The draft stated "the supplier must either have direct shipment authorization or hold a production approval (PMA/TSO authorization) for each replacement or modification product or part shipped"

ASA asked for this to be removed because, even in cases where the Order is not directly applicable, this order (8130.21) has come to be viewed as so important that its dictates are given great weight by the industry. There are many cases where the language of this order has been taken out of context and applied in a way that was not anticipated by the FAA. Because of this, ASA explained that a statement that a supplier "must have" something as a prerequisite to production could be applied outside the intended context. ASA suggested that such language should be consistent with the current scope of the law (14 CFR §§ 21.303 and 21.305(d)).

The FAA agreed and removed this language entirely. The current language found in paragraph 208(d)(3) was originally published in the draft as subsection (d)(5).

10. Eliminate redundant information from paragraph 208(d)(4).

ASA explained that the requirements of this subparagraph were confusing in the draft because the subparagraph called for entering organization address and the information required in paragraph 208(m)(9); however the 208(m)(9) language is already required to be placed in block 13, so the additional inclusion in block four data locations is redundant.

ASA suggested that simply changing the sentence to not refer to 208(m)(9) would alleviate the problem. Elsewhere in the comments, though, ASA made an argument for removing (entirely) the requirements for production certificate and/or project numbers on tags issued at a distributor's facility. The FAA agreed with this letter argument and removed this language entirely from the final draft.

11. Remove capital letter requirement for block 12 words from paragraph 208(l).

The FAA would have required that block 12 entries be written in capital letters. ASA argued that removing the requirement for entries in this block to be in capital letters would be more in line with "current practices" and with the ATA (computer-based) Specifications which do not follow these criteria. Furthermore, because ATA electronic specifications for recording and transferring documentation rely on XML as the coding language, and XML is case sensitive, ASA explained to the FAA that this capitalization criterion may be inconsistent with future electronic guidance like the proposed ATA Specification for electronic documentation.

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There is no good policy reason for these words to be in capital letters, since they are located alone in block 12 (there is no need to distinguish these terms from anything else in the block). Furthermore, permitting lower-case as well as capital letters would model current industry practice, which often involves writing these terms in lower-case letters regardless of the instructions.

The FAA agreed and removed the requirement for these entries to be in capital letters.

12. Remove PAH production address information needed under in block 13 pursuant to paragraph 208(m)(9).

The prior guidance required that when a tag is issued at a distributors facility, both the distributor's address and the production approval holder's address should appear on the tag.

ASA explained that in some cases the precise address at which the part was produced may be impossible to identify. This is particularly true if the manufacturer has multiple production locations, or if the part in question was known to be produced in more than one location. Actual production location information is typically impossible to obtain for parts in current inventories that did not arrive with that information. Even original 8130-3 tags do not list this information – instead they generally only list a common manufacturer address that appears regardless of the actual production address.

ASA asked that the FAA remove reference to the PAH's production address. The FAA agreed with ASA's logic and added language to the guidance specifying that when the tag is completed at a distributor's facility, the tag should identify the PAH by name (and not by address).

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13. Add clarifying language, taking into account the fact that distributors do not get a project number or certificate number so therefore no number should be applied to a distributor's form under paragraph 208(d)(1) or 406(d)(1).

The "D" revision of the guidance required entry of a project number or certificate number on the 8130-3 tag. ASA explained in its comments that distributors do not get a project number or certificate number so they cannot include this information. They often are unable to obtain this information from the manufacturers to whom the numbers were issued. The need to add such numbers, when such numbers are often unavailable, has caused problems for distributors who apply for 8130-3 tags.

ASA suggested particular language in order to make it clear that distributors no longer need to add these numbers. The FAA adopted this language and added additional text to clarify that the project number or certificate number requirement does not apply to accredited distributors.

14. Section 401(a) should be updated to reflect the recent 8130-3 Exemption for ASA Members.

An earlier draft of 8130.21E stated "NOTE: FAA inspectors should not issue export or conformity airworthiness approvals for class III products under any circumstances."

ASA explained in its comments that the FAA has granted a broad exemption to ASA members. At the time of the comments, no function code had yet been assigned to permit DARs to facilitate the issuance of 8130-3 tags under this exemption. Since that time, manufacturing DARs have been granted privileges to issue 8130-3 tags under the exemption, but maintenance DAR privileges are still pending. Until enough DARs are permitted to issue 8130-3 tags under this exemption, FAA employees are the only persons who are widely-available and may be authorized to issue 8130-3 tags for class III articles.

The FAA removed this limitation, so that there is no longer a restriction in this guidance on FAA inspectors issuing airworthiness approvals for class III products.

15. Add a subsection 401(o) to reflect the recent 8130-3 Exemption for ASA Members

ASA asked the FAA to add text reflecting the recently-issued 8130-3 exemption.

In the request, ASA explained that the FAA has granted a broad exemption to certain ASA members, which permits them to apply for export 8130-3 tags for class III export products. The petition specifically requested that the FAA issue guidance authorizing appropriate DARs to issue the export 8130-3 tag to parties covered by this exemption.

ASA suggested that rather than trying to update FAA Order 8100.8, it makes sense to incorporate the guidance in 8130.21E, since it is likely that the next revision of this Order (8130.21F) will either negate the need for this privilege by eliminating the distinction between export and domestic 8130-3 (pursuant to recent multilateral harmonization discussions) or will require an extension of the privilege concurrent with an application for extension of the exemption.

The FAA made a policy decision to remove all function code information from 8130.21. All such information will reside in Order 8100.8. Therefore, the FAA did not adopt ASA's suggestion on this point. Intervening policy guidance concerning privileges for DARs has rendered ASA's request moot. The FAA has issued guidance establishing appropriate privileges for manufacturing DARs and is currently working on guidance for maintenance DARs.

16. Better define state of production.

Generally, parts may only be given airworthiness approval by the FAA if they were produced under the auspices of the FAA's production authority. Many parts may be fabricated in an unknown location, although they are "produced" under FAA authority when they are brought into the U.S. PAH's quality system. It is clear that parts may be fabricated outside the United States but then integrated into a production approval holder's production quality system in the United States, and this act by the PAH makes the part something that is endorsed under a FAA production approval and therefore "produced" in the United States.

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There was some ambiguity in the draft order about when something was actually produced in the United States. Therefore, ASA recommended that the FAA add an additional sentence that reads “A part is considered produced in the United States if it was produced under a production approval issued by the United States FAA.” Although this specific text was not used, the final version of the guidance makes it clear that airworthiness approvals may be issued for any parts fabricated under a U.S. production approval.

More importantly, the FAA has placed improved guidance on this matter in the Part 21 rulemaking project, which will be discussed in detail next month.

17. Text that is inconsistent with the recent exemption, and that could be read to countermand the exemption, should be modified.

ASA explained that FAA field inspectors were using inconsistencies in the guidance as the basis for denying distributors the ability to apply for 8130-3 tags under exemption 8696. In order to remedy this, ASA asked the FAA to make specific reference to the exemption in the order.

This request has become moot because the FAA decided to issue separate guidance related to the exemption. Furthermore, the final version of the relevant text permits issuance of 8130-3 tags in accordance with 21.333, and the ASA exemption is an exemption from 21.333, so issuing 8130-3 tags in accordance with the exemption represents acceptable compliance with 21.333.

18. The text that suggests that only the PMA holder can determine criticality at the time an 8130-3 tag is issued must be removed, because anyone with the instructions for continuous airworthiness can identify this information.

ASA explained that the Paragraph 404(c) is misleading because of its wording. It states that only the PMA holder can determine criticality of a part.

The term “critical,” in the context of the bilateral agreements, means that the part has a life limit or other limit found in the airworthiness limitations section of the instructions for continuous airworthiness. Whether a part has such a limit can be easily verified by anyone possessing the airworthiness limitations section of the applicable instructions for continuous airworthiness.

The FAA interprets the term “determine” in this context to arise in the context of the actual assignment of limitations. It is not meant to limit the parties who can identify that information from the airworthiness limitations section as published by the design approval holder.

19. Remove the requirement for information about production under STC, because an exporter may not have this specific information.

Draft paragraph 404(c) required the exporter to identify when the holder of an STC produced the parts under the STC. This information is meaningless for several reasons: first, parts are produced under production authority, not under design authority (and STC is a design approval); second, an exporter might not know the producer’s design approval basis – there is no requirement to pass such information along in the chain of commerce. Generally, an exporter is likely to only know the fact that the part was produced under an approved system without knowing the details of the form of design approval that was granted.

In response to ASA’s comments, this text was removed from the final draft.

20. Remove the references to project numbers because distributors often cannot reasonably obtain such numbers from manufacturers.

ASA argued that the requirement for project numbers should be removed, because distributors apply for export tags for class II and class III items, and (1) distributors do not receive project numbers, and (2) distributors often may NOT be in a position to obtain the project number from the manufacturer.

As discussed earlier for domestic tags, ASA prevailed on this issue. The need for distributors to obtain project numbers for block four was eliminated, and language for export tags was modified to specify that accredited distributors do not need to include a PC number or project number in block four.

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Invoice Management*

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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.



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



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Lot Costing

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



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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 compliant fax manager supporting multiple fax servers and Citrix.



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Bush Selects New Secretary of Transportation

President Bush chose Mary Peters, a former federal highway administrator, to succeed Norman Mineta as Secretary of Transportation. The President timed his announcement for the Senate's Fall return to Washington, to allow them to jump right in on the confirmation process.

"She's going to make an outstanding Secretary of Transportation," President Bush said, urging the Senate to rapidly approve her nomination.

"It is a job that requires vision and strong leadership," the President explained. "Mary Peters is the right person for this job. She brings a lifetime of experience on transportation issues from both the private and the public sectors."

Ms. Peters said that if confirmed, she would try to improve a transportation infrastructure that is showing signs of aging. This is an interesting departure from recent years, in which Transportation Secretaries have publicly committed themselves first to safety.

"We are experiencing increasing congestion on our nation's highways, railways, airports and seaports, and we're robbing our nation of productivity and our citizens of quality time with their families," Ms. Peters said. "In some cases this is the result of systems and structures that are more suited to a bygone era than to the 21st century."

Ms. Peters was chief of the Federal Highway Administration from 2001 to 2005, and she is known to be an advocate of user fees, or tolls, for building new highways. In a recent interview, she pointed-out that the federal highway program will run out of money by decade's end without substantial changes and, she noted that rather than raise taxes, some states are turning to toll roads already to fill gaps.

"You just can't depend on the federal government to bring the money in that was around when the interstate system was first built," Ms. Peters said.

The issue of users fees is much more controversial in the aviation world, where competing theories of user fees have pitted the commercial aviation world against the general aviation community, with the commercial aviation industry accusing the general aviation community of failing to pay their fair share.

When confirmed, Ms. Peters will fill a cabinet seat left open when Norman Mineta left the job in July. After six years on the job. Mineta had been the longest-serving Secretary of Transportation since the Department was founded in 1967.

ASA QA Committee Update

The ASA QA Committee met on July 8, immediately before the ASA Annual Conference, to discuss a variety of issues affecting the way that ASA members do business.

Going Global with ASA-100

ASA-100 is the quality standard published by ASA. It was created to meet the requirements of the FAA's Advisory Circular AC 00-56 (the Voluntary Industry Distributor Accreditation Program). In general, it requires compliant companies to maintain facilities, documentation and practices that will support the safe and effective distribution of aircraft parts as one element of the industry's joint efforts to keep aviation safe.

In late 2005, the QA Committee noted that ASA-100 is used extensively by distributors outside the United States and is also relied-upon by air carriers outside the United States. Although the standard was originally born to meet the needs of the United States aviation parts market, the realities of the

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industry – that aviation represents a global marketplace – soon overcame the original intentions and the standard was soon being used throughout the world. Today, the standard is being used by distributors in Africa, Asia, Europe, North America and the Middle East. Air carriers throughout these parts of the world, as well as in South America, use the standard as the basis for making decisions about their business partners.

Based on the significant international usage of the standard, the QA Committee decided in late 2005 to amend the standard to better reflect the standards and regulations that apply to parts distribution issues throughout the world. Members resolved to identify the places where references are made to US standards and update the standard so that (1) it supports the standards of other nations in addition to those of the United States and (2) it draws references to the correlative standards of other nations. In the first stage of this project, Finola Ashe and Graham Carson of Rolls Royce, along with Graham Mitchell of Aero Inventory, volunteered to help draft proposed language that would reflect the needs of the European and Canadian regulations and standards.

Internationalizing the Standard

Ashe, Carson and Mitchell introduced proposed ASA-100 changes that would ‘internationalize’ the standard at the July 2006 meeting of the QA Committee.

Members of the Committee offered a number of constructive comments to improve the standard and to make sure that the references to European and Canadian standards were both appropriate and cited correctly.

Implementation

When the internationalization project is complete, ASA will issue appropriate guidance to assist members in updating their quality systems to meet the new changes.

Part of this will be assistance in identifying whether any changes to the quality system are necessary at all. Some accredited companies, particularly those without European or Canadian business, may find that no system update is necessary. Some accredited companies with European or Canadian customers may find that their current business practices and manuals already match the requirements of the revisions and need minimal or no changes.

Change Philosophy

Although the changes are not yet completed, the QA Committee was able to agree on some of the philosophies that will go into the changes.

Members wanted to make sure that documentation requirements remain customer-driven, so that the standard can keep pace with (and not be an impediment to) changes in customer requirements. So the philosophy of ASA-100 will remain that documentation remains as-specified by the customer. The Committee agreed that identifying the specifics of foreign customer’s needs should be a part of the communication process between distributor and customer, and not something that is specified in the standard. Similarly, there would not be a country-by-country checklist of documentation requirements.

The Committee also stressed that its aim in this process was not to impose additional requirements – rather, the focus was to modify the standard to provide international references to support and assist distributors doing business throughout the world.

Accreditation Program Update

ASA President, Michele Dickstein, provided the Committee with its semi-annual update on the accreditation program. Her report highlighted a number of important initiatives.

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She explained that ASA-100 has been updated to reflect changes that were requested by the Department of Defense, and that had been approved by the Committee at the Fall 2005 meeting.

These changes have been fully coordinated with DOD. Their purpose is to permit DOD to rely on ASA-100 as one of the quality standards that a distributor can use in order to facilitate government contracting. When the program is fully implemented at DOD, a distributor that is ASA-100 accredited will be able to report this accreditation to the DOD and in return the DOD will limit some of the audits that it needs to perform as a prerequisite to doing business with the accredited distributor.

Information about the new standard as well as guidance material to aid in implementation will be distributed. The version of ASA-100 that includes the DOD-initiated changes will be known as version 3.5 of the standard.

Manual Template

ASA has developed an ASA-100 manual template. That document will be released shortly after the version 3.5 release. Both are expected for release in the fourth quarter.

Audit Update

The bulk of ASA's accreditation audits for 2006 were performed during the first five months of the year due to scheduling – that time period was remarkably busy. After a much slower summer, though, the auditing scheduling is once again heating up. Audits are picking up again this Fall, and you can expect to see the ASA Auditors, Richard Smith, Kelly Lyon and Michelle Billoir, active and traveling!

Committee Elections

In order to be a voting member of the QA Committee, you must be (1) be an ASA member-in-good-standing, and (2) have attended at least two of the prior three Quality Assurance Committee meetings. Membership on the Committee is held by the ASA member company, so the company can send a different employee to every QA Committee meeting and still retain its voting rights. ASA members without QA Committee voting rights are still welcome to attend QA Committee meetings. Those persons in the industry who are not ASA members but would like to attend should contact the Association.

The voting members of the QA Committee elected their leadership at this meeting. Dan Von Flue was elected chairman of the committee and Jason Lewis was elected vice chairman of the committee. The two will serve two year terms in these capacities.

Coming Up

Topics for the next meeting of the Quality Assurance Committee will include human factors training, ASA-100 changes, FAA Order 8130.21E, and changes of the FAA manufacturing regulations that may affect distribution. The next meeting of the Quality Assurance Committee will be held November 3-4, 2006 in Dallas, Texas. Members wishing to attend should RSVP to ASA.

New FAA Location for Form 337s

ASA members with repair station certificates should note that there is another change coming over the horizon for FAA Form 337s.

Under the current rules, when a repair station or other facility completes a Form 337 to record a major repair or major alteration (in accordance with Part 43 Appendix B), the form is filed with the local Flight Standards District Office (FSDO).

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Effective on November 3, 2006, when a repair station or other facility completes a Form 337 in accordance with Part 43 Appendix B, the completed form should be filed with the FAA's Mike Monroney Aeronautical Center in Oklahoma City, Oklahoma. The stated purpose of this change is to centralize the processing of the Form 337 documents and facilitate FAA acceptance of electronic submissions of Form 337 documents in the future.

The FAA has already started to lay the foundation for electronic filing of FAA Form 337s by creating the appropriate policy mechanisms [see 14 *TUR* 6, page 13]. Centralizing the regulatorily-mandated location for filing is the next step. Soon, the FAA will fully implement a procedure for filing 337s electronically.

Another reason for centralizing the location at which 337s are filed (unstated in the Federal Register announcement) is to bypass the current issues encountered in some local FSDOs. Some FSDO inspectors have rejected 337s based on preferences and conceptions that are not consistent with headquarters policy. When filed under appendix B, the 337 is a mere record and should not be rejected if properly completed. The new centralized process will make the acceptance and rejection of these forms more uniform.

The change does not affect any other requirements of Part 43.

ASA Members Elect the Board of Directors

Congratulations to Richard Levin, Brent Webb and Mitch Weinberg for their re-election to the ASA Board of Directors. These three directors won their re-election bids and will remain on the Board until their seats are up for election in 2008.

In addition to the three positions that were up for election, one director position was vacant following the resignation of Deb Maier from Boeing Commercial Airplanes. The ASA Board voted in August to appoint Greg McGowan, Senior Manager of Commercial Aviation Services – Quality, also of Boeing, to fill the remainder of Maier's term, which expires in 2007.

Together, these four members of the ASA Board represent a broad cross-section of the ASA membership. The three elected officials all come from family-owned businesses, and McGowan represents one of the world's leading aerospace companies. While Greg is a newcomer to ASA leadership, the other three members have a combined 10 years experience on the ASA Board. Richard Levin, Managing Director of A.J. Levin Company, has been a member of the ASA Board since 2003. Brent Webb serves as the President of Aircraft Inventory Management & Services and has been on the ASA Board since 2004. Mitch Weinberg originally served on the ASA Board from 1997 to 1999 and has served on the Board since his re-election in 2001. Mitch is President of International Aircraft Associates.

ASA President, Michele Dickstein, commented that ASA is fortunate to have such experienced leadership on the Board of Directors. She noted that Richard, Brent and Mitch have all provided excellent leadership as past members of the ASA Board. "As decision makers, they approach ASA's initiatives with the same concern and acumen that they use in their respective companies," she stated. "ASA members recognize the commitment and leadership of these individuals both to the association and the industry as a whole."

The ASA Board of Directors consists of seven representatives of ASA member companies. Board members are elected to two-year terms, or appointed for 1-2 years, with three or four members elected each year. Four Board positions (including McGowan's) will be up for election next year.

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

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