

The UPDATE Report



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Oil Prices Continue to Pressure Air Carriers

This month, crude oil continued to rise to over \$110 per barrel. What could this mean to the aviation industry? And what could it mean to aircraft parts distributors?

For years now, people have been suggesting that the airline industry cannot survive at the current fuel costs. Yet fuel has continued to rise.

On March 12, JP Morgan Securities analyst Jamie Baker lowered ratings on seven large carriers and suggested in a letter to clients "If demand trends mirror prior recessions, a \$9 billion loss can't be ruled out." He prophesied that "Even a best-ever recessionary demand scenario results in a \$4 billion industry loss."

That report came a day after a similar Credit Suisse warning and a notice from Standard & Poor's Ratings Services that it will review its ratings on 10 U.S. airlines, citing "cost pressures of rapidly increasing fuel prices and a weaker domestic economy."

The stock market has been responding with significant drops in the stock prices of the major U.S. air carriers. Many U.S. Air Carrier stocks set 52-week lows on March 12, after oil rose to \$110.20 a barrel on the New York Mercantile Exchange and the JP Morgan letter was released.

At the same time that rising oil prices have replaced labor as the single biggest expense for air carriers, the U.S. economy continues to slip, which is likely to lead to reduced travel spending. Current recession fears are likely to lead to less travel – or at least less money earmarked for travel – which means that in the near future air carriers may have to make a choice between lower utilization or lower yield, as they face the need to further discount fares in order to fill aircraft during a recession.

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MESSAGE FROM ASA'S PRESIDENT

THE UPDATE Report

is the monthly newsletter of the Aviation Suppliers Association.

OUR COMMITMENT

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

The UPDATE Report is just one of the many benefits that ASA offers members. To learn more about our valuable educational programs, please contact ASA.

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Dear Members,

As you read through the newsletter, there are several stories about economic factors that are impacting the aviation industry. The slowing economy and cost of fuel are real issues.

However, the distribution side of the industry is strong. During the recent MRO meeting in Florida, it was apparent from the speakers and strong industry presence that aircraft parts sales is viewed as a strong player in the supply chain and as a player that will help the end user reduce costs and therefore allow the end user to remain competitive. Obviously this is great news for distributors. Member companies that have taken time to define their business strategies and develop relationships with end users are in good positions to not only weather a slowing economy, but to grow their businesses.

It is important for distributors to protect their interests by understanding bankruptcy issues. However, protecting oneself from losses is a tool but not a solution to business survival. Operators and repair stations are in need of operating lean, and a distributor that can meet their supply needs and price has an opportunity to develop a long term relationship, rather than just a sale.

Developing partnerships, operating lean and protecting your business are all issues that will be discussed at the ASA Annual Conference. I look forward to working with the members and providing the needed intel to enable your company to continue to thrive.

Take Care,
Michele

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Some analysts have suggested that reducing fleet size could be a solution, but this is easier said than done. Unilaterally reducing capacity is a risky move for an air carrier, and an agreement among air carriers to reduce capacity has anti-trust ramifications. The impact of September 11, 2001 allowed air carriers to reduce capacity in response to the terrorist event but without a triggering event, it becomes difficult for individual air carriers to make that decision. Factors acting against capacity reduction include labor agreements (you may need the equipment to keep the union members employed), consumer choice issues (you do not want to be the air carrier that fails to offer a choice of ideal times), and political issues (when you cancel service to an airport, you have to expect to get an angry call from that state's Senator).

What does this mean for the distribution community? On the one hand, rising oil prices mean that air carriers must find savings in other areas, and this can be a positive thing for distributors who can find cost-effective alternatives for their customers. Surplus parts, overhauled parts and PMA parts all offer potential cost savings to air carriers. When purchased from accredited distributors, all of these categories can carry indicia of airworthiness that help air carriers to recognize that they do not have to jeopardize safety when they seek to economize on costs.

Air Carriers – Caught in the Cross Hairs

But the potential benefits to the distribution community assume that there are customers available to purchase aircraft parts! And this is the assumption that becomes critical for the distribution community.

Several air carriers have recently announced that they are discontinuing operations. ATA announced that it had lost a major military charter contract. The current high price of oil meant that ATA was stretched too thin to be able to recover from this loss. The company filed for bankruptcy on April 2 and immediately discontinued operations.

Other air carriers that are discontinuing operations include Champion Air, Aloha Airways, Oasis Hong Kong and Skybus.

Skybus Airlines announced that it was discontinuing all operations effective Saturday, April 5. Skybus specifically cited the combination of rising jet fuel costs and a slowing economic environment as the factors in its decision.

Champion Air also cited the high cost of oil, as well as the struggling economy and the rapidly changing demand for Champion's services. Champion had been operating a fleet of 16 727-200 aircraft. Champion noted that it was unable to attract capital in order to affect a restructuring that might have saved the airline. Champion will continue to fly through May 31 while it wraps up its affairs.

After 62 years of serving Hawaii, Aloha Airlines announced that it would no longer operate its Passenger Services. The last day for passenger service was Monday, March 31. Aloha will continue to operate cargo service and aviation service, and will attempt to sell these units through the bankruptcy proceedings (Saltchuk Resources, Inc. announced that it is seeking to acquire the air cargo business).

In a press release, Aloha blamed unfair competition for the decision to shut down its passenger operations; in 2006, Aloha had sued Mesa Air Group, claiming that its flights into the Hawaiian market were being offered at below-cost rates and were being subsidized by Mesa's Continental U.S. flights. Aloha also claimed that Mesa was using Aloha's Confidential information to compete with Aloha in violation of an investment due-diligence agreement between the air carriers. Although

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ASA 2008 Vegas



Growth

The aviation industry has experienced unprecedented growth in recent years. ASA 2008 will explore previous growth and give you the tools you need to capitalize on future opportunities.

Innovation

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www.ASA2008.org

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Aloha won the suit and received a judgment of \$80 million, that money has not yet been paid because Mesa appealed the ruling.

Despite the focus on unfair competition, documents released to Aloha employees suggested a different motivation. Aloha Flight Attendants were told that

“Fuel prices have been soaring. Late last week the price of crude oil hit an all-time record high of \$111 a barrel. With jet fuel today at \$3.22 a gallon, that means an additional \$71 million annual hit to the Company’s bottom line at a time when we have not been able to raise fares to generate sufficient revenue to cover increased fuel costs. With no relief in sight, we were left with no other alternative but to file.”

Where are the Inventories?

Interested in purchasing inventories, manuals, tooling, etc from one of the bankrupt companies? A good place to start is to speak with the bankruptcy trustee.

The job of the bankruptcy trustee in a liquidation is to maximize the liquid assets of the bankruptcy estate in order to provide as much fair reimbursement to the estate’s creditors as possible. If he or she can sell off assets for full market value without incurring significant expenses to do so, then that helps to meet the goals of the bankruptcy. Thus, a deal that provides fair market value – especially if it is one that provides better net value than the estate might realize through an auction – might be quite attractive to a bankruptcy trustee.

More information about each air carrier is available from a variety of sources:

ATA has a Web site devoted to providing information about its bankruptcy:
<http://www.bmcgroup.com/ataairlines>.

Aloha’s Director of Corporate Communications is Stu Glauberman, who can be reached at (808) 539-5947 or by email at: sglauberman@alohaairlines.com.

Champion Air does not appear to have filed for bankruptcy. The company’s media contact is Jon Austin who can be reached at (612) 839-5172.

Oasis Hong Kong Airlines is the latest air carrier casualty – the company announced that the airline had applied to the Hong Kong Courts to appoint a provisional liquidator. In response, the Court appointed Edward Middleton (Tel 852-3121-9833, Fax 852-2973-6616, edward.middleton@kpmg.com.hk) and Patrick Cowley (Tel 852-3121-9836, Fax 852-2869-7357, patrick.cowley@kpmg.com.hk) of KPMG as the provisional liquidators; Middleton and Cowley have assumed control of the airline for liquidation purposes.

Skybus Airlines filed a chapter 11 petition in Delaware on April 5, 2008. The Delaware case number for Skybus is 08-10637-CSS, and the case has been assigned to Judge Christopher S. Sontchi. The Delaware bankruptcy court is located at 824 North Market St, 3rd Floor, Wilmington, DE, 19801. The phone number for the Delaware court is (302) 252-2900.

Protect Yourself From Potential Bankruptcies

Four air carriers – Aloha, ATA, Champion, and Skybus – recently decided to discontinue operations. The media has been predicting that other air carriers will likely shut their doors in the coming months due to the combination of high fuel prices and a weak economy. These sorts of bankruptcies reflect

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a serious concern for distributors because of the affect they can have on payment for aircraft parts. Distributors need to distinguish two things. First, they need to distinguish whether their customers may be experiencing solvency issues. Second, for customer experiencing solvency issues, distributors need to assess whether the customer has sought the protection of the bankruptcy courts because this causes significant changes in the strategy and tactics for dealing with that customer. Starting in next month's issue, ASA will begin to publish specific information about customer strategies designed to protect distributors from paying the price for a bankrupt carrier.

Europeans Propose GA Maintenance Certificates

The European Aviation Safety Agency has proposed a new type of mechanics' certificate under EASA Part 66. This new type of certificate will be intended to permit maintenance of certain non-complex general aviation aircraft.

The proposed Part 66 category would cover maintenance of sailplanes, powered-sailplanes and non-pressurized airplanes of 2000 Kg Maximum Take-Off Mass [MTOM] (4400 lbs Maximum Take-Off Weight) or less. Under current regulations, certification of such airmen is performed under the national rules of each of EASA's member states. The proposed rule would transfer the responsibility for regulation of these maintenance providers from the individual countries to EASA, although each national authority would remain responsible for enforcement within its boundaries.

In particular, EASA proposes to create two new certificates:

B3: sailplanes, powered sailplanes and piston-engine non-pressurized aeroplanes of 2000 Kg MTOM and below;

ELA: Sailplanes and air planes with MTOM less than 1000 Kg, that are not classified as "complex motor-powered aircraft" and balloons and other gas air ships.

The ELA certificate would be further subdivided into "basic" and "full." The "basic" ELA certificate would NOT permit approval of annual inspections, nor approval of major repairs nor alterations. These would all be privileges of the "full" ELA.

The proposed rule is open for comment through June 28, 2008, and may be viewed at http://hub.easa.europa.eu/crt/get-file/f_NPA%202008-03.pdf.

FAA Orders Checks on All Airlines

With the recent exposure of the maintenance issues at Southwest Airlines, acting Federal Aviation Administrator Robert Sturgell has directed federal aviation safety inspectors to reconfirm that commercial carriers operating in the U.S. have complied with all Airworthiness Directives.

“While the data tell us flying is safer than ever, prudence dictates we take this additional precaution and conduct a special emphasis review,” Sturgell said.

Associate Administrator for Aviation Safety Nicholas Sabatini sent an email to top air carrier officials stating – “One carrier's noncompliance with AD's makes it necessary for us to validate our system for overseeing your management of this regulatory requirement.”

An initial review of 10 ADs per fleet was completed by 28 March and the full audit of 10% of ADs applicable to each fleet by 30 June. The results of these audits are obvious – as air carriers have been detecting incomplete Airworthiness Directives, they have been cancelling flights and grounding aircraft to perform the required checks – which is causing noticeable difficulties in the industry.

Air carriers may be requesting documentation from distributors as the reviews unfold. Distributors who track ADs on their parts inventories should be prepared to share this information with customers. Air carriers may be particularly concerned with copies of documentation concerning AD compliance on overhauled or otherwise-maintained rotatable parts.

Aerospace companies moving more production to Mexico; but no Bilateral, Yet

Since 2004, Mexico's aerospace exports have more than tripled from \$146.2 million to \$683.2 million last year. Companies making aircraft parts and components are taking advantage of lower costs, which is translating to a 30% savings, even with the added transportation expenses, according to one manufacturer.

At least one company hopes to eventually assemble complete jets in Mexico.

The trend is being likened to the 1980s, when U.S. companies moved from making auto parts in Mexico to assembling entire vehicles there. \$42 billion in cars and auto parts are exported from Mexico every year.

The reporting on this trend may have gotten a little out-of-control. A recent USA Today report announced that “In September, the United States and Mexico signed a Bilateral Aviation Safety Agreement.” The article predicted that this bilateral may spur even faster growth of aerospace exports to the U.S. from Mexico. The USA Today writer appears to have misinterpreted a press release issued by the Mexican government.

New Card for A & P Mechanics

The FAA has published a Final Rule that will require airmen regulated under 14 CFR part 65 to trade-in their paper airmen certificates for a new plastic card airmen certificate. Part 65 applies to airmen other than flight crew members, including air traffic control tower operators, aircraft dispatchers, mechanics, repairmen and parachute riggers. The changes are in response to the FAA Drug Enforcement Assistance Act, the purpose of which is to upgrade the quality of data and documents to assist Federal, State and local agencies to enforce the Nation's drug laws. The rule is effective 31 March 2008.

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Five years after the rule becomes effective, airmen under part 65 will no longer be allowed to use paper certificates to exercise the privileges authorized by the certificates. The rule does not cancel or revoke the airman's certification; rather it requires him to have the plastic certificate to exercise the privileges associated with the certificate.

Although the Drug Enforcement Assistance Act only addressed pilot certificates, the FAA decided to adopt a parallel changes for additional airman certificates, in order to address potential problems associated with accurate identification of airman certificate holders. According to the Rule, mechanics and flight engineers have the access and opportunity to participate in drug smuggling activities.

The new certificates are made of high-quality plastic card stock and include security features – micro printing, a hologram and an ultraviolet-sensitive layer – greatly reducing the ability to create counterfeit airman certificates.

To make the replacement process quicker and easier, an online system has been set up. Certificate holders can access the system at <https://amsrqs.registry.faa.gov/amsrqs>. The cost is \$2.00, which is a one-time fee. The rule does not require the paper certificate to be surrendered when getting the new plastic certificate. Those who would like to retain the paper certificate may do so, but it will not be valid to authorize the privileges of the airman certificate.



2008 Hazmat Training

<p>May 14-15 Washington DC Washington Aviation Group Offices</p>	<p>Who Should Attend? All individuals who may come into contact with, or make decisions that affect hazardous material (Hazmat) or dangerous goods (DG).</p>
<p>May 21-22 Miramar, FL Hilton Garden Inn</p>	<p>Why Should I Attend ?</p> <ul style="list-style-type: none">• The US DOT requires that all individuals engaged in handling hazardous materials must be trained at least once every 3 years.• Air Carriers are required to be trained every year, and IATA requires training every 2 years.• All attendees receive a Certificate of Training stating 49 CFR 172 Subpart H training requirements have been met.
<p>June 17-18 Los Angeles, CA Embassy Suites</p>	
<p>September 23-24 Kansas City, MO</p>	

To register, please visit our Web site: www.washingtonaviation.com/hazmat or contact us 202-347-6899.

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



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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.



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Receiving and Inspection*

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



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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.



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



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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 StockMarket 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

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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

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In-Flight Cell Phone Calls Become a (Legal) Reality

The world's first authorized in-flight mobile phone calls on a commercial flight took place on Emirates airline on March 20, 2008.

Passengers were able to make and receive voice calls and use text messaging on an Airbus A340-300 equipped with the AeroMobile system. The European Aviation Safety Agency (EASA) and the United Arab Emirates-based General Civil Aviation Authority both granted approval for the AeroMobile system to be used on Emirates. Emirates airline already provides email and text capabilities through its in-seat entertainment systems and phone service through in-seat phones. The AeroMobile system will enable passengers to use their own mobile devices using international roaming service.

The system has gone through extensive testing, including trial service on over 1000 domestic flights in Australia.

Qantas has announced that it will allow passengers to use the AeroMobile service for sending and receiving email and SMS via mobile phone or personal electronic device beginning in late 2008. The voice connectivity feature of the system will not be activated as part of the new service. According to the AeroMobile Web site – “The AeroMobile hardware comprises an advanced architecture that can be installed in modular form, fully exploiting existing aircraft maintenance down time.”

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Aircraft parts may be manufactured in Bahrain

As part of the government's efforts to develop new industries and create new jobs, aircraft parts could soon be manufactured in Bahrain.

According to Industry and Commerce Minister Dr. Hassan Fakhro, "Manufacturing automobiles and aircraft parts are part of our aspirations now, particularly because of our aluminum industry." Bahrain's aluminum sector had the highest number of licenses granted last year, accounting for 58 licenses.

Gulf Air, Bahrain's national carrier, would welcome the possibility of locally manufactured aircraft parts. "From an airline perspective, it is welcome because the aviation business is dependent on parts and if these requirements can be met locally, then that is the best thing for everyone", said the airline's acting head of corporate communications Adnan Malik.

Bahrain Chamber of Commerce and Industry industrial committee chairman Sharif Ahmadi said that the country was capable of manufacturing aviation components. "We have the capability, we have the technology and we can bring people from outside to train Bahrainis to fill jobs in the manufacturing process," he said.

Middle East Aviation Growth

Airport infrastructure in the Middle East is responding to the growth in cargo and passenger numbers in the region. In Dubai plans are underway for an airport that can accommodate 120 million passengers annually. The King Abdul Aziz Airport in Saudi Arabia is being expanded to handle 80 million passengers. Qatar is opening a new airport next year. At Abu Dhabi airport, work on a new passenger terminal will start in April to increase the airports capacity to 12 million and expansion work has already begun on the cargo area. Additionally, a study is underway to make Al Ain airport an economy aviation and cargo hub. A free economic zone will be set up near the airport to attract companies specializing in the manufacture of aircraft parts and aircraft maintenance.

According to Peter Harrison, Executive Director for the Centre for Asia Pacific Aviation - "We expect big growth in the aviation sector for the countries in the Middle East as this sector has grown in an unprecedented manner and faster than any growth in the rest of the markets across the world." However, he warned of several challenges faced by the region's aviation industry. The most important of these is shortage of skilled employees for operation and maintenance as well as the provision of investments needed for sustainable growth.

UAE Company Seeks to Invest In Aerospace

Mubadala Development Company, Abu Dhabi's investment vehicle that manages over \$10 billion in assets, is planning further acquisitions in aerospace, energy and real estate firms.

Mubadala has bought stakes in U.S. based Advanced Micro Devices, the world's second-largest computer processor maker, and Swiss aircraft maintenance firm SR Technics in the last two years.

According to Mubadala chief operating officer Waleed al-Muhairi, the firm is particularly interested in taking major stakes in aerospace and energy firms in Asia and the Middle East.

"The centre of gravity in aerospace is really shifting to this part of the world, and a part of our strategy is capturing a portion of the MRO [maintenance, repairs and overhaul] and on the manufacturing side," said Muhairi.

UNAPPROVED PARTS NOTIFICATION



U.S. Department
of Transportation

**Federal Aviation
Administration**

*No. 2008- S20071128005
January 30, 2008*

AIRCRAFT MAINTENANCE DIVISION, AFS-300
800 INDEPENDENCE AVE S.W.
WASHINGTON D.C. 20591
<http://www.faa.gov/aircraft/safety/programs/sups/upn/>

AFFECTED PARTS

Engine rotating groups and components

PURPOSE

The purpose of this notification is to advise all aircraft owners, operators, manufacturers, maintenance organizations, and parts suppliers and distributors regarding improper maintenance performed on engine rotating groups and components.

BACKGROUND

Information received during a Federal Aviation Administration (FAA) suspected unapproved parts investigation revealed between June 2007 and November 2007 Genuine Repairs Aerospace, Inc., located at 6993 N.W. 82 Avenue, Bay 30, Miami, FL 33166, improperly maintained and approved for return to service engine rotating groups and components contrary to the regulations. Genuine Repairs Aerospace, Inc., formerly held Air Agency Certificate No. U16R185Y with limited powerplant rating.

Evidence indicates Genuine Repairs Aerospace, Inc., approved engine rotating groups and components for return to service that were not maintained in compliance with the manufacturer's maintenance manuals or other data or methods acceptable to the FAA and performed nondestructive testing of parts using equipment that was not calibrated, was improperly calibrated, or was overdue calibration.

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, aircraft records, and/or parts inventories for any engine rotating group parts and components approved for return to service by Genuine Repairs Aerospace, Inc. Appropriate action should be taken if any referenced affected parts have been installed on an aircraft. If any existing inventory includes these affected parts, the FAA recommends you quarantine the affected parts to prevent installation on an aircraft until a determination can be made regarding eligibility for installation.

FURTHER INFORMATION

Further information concerning this investigation, and guidance regarding the referenced affected 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 referenced affected parts, the means used to identify the source, and the actions taken to remove the affected parts from aircraft and/or stock.

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UNAPPROVED PARTS NOTIFICATION

Continued from Page 12

This notice originated from the FAA South Florida FSDO, 8600 N.W. 36 Street, Suite 201, Miami, FL 33166, telephone (305) 716-3400, fax (305) 716-3437.

Below is a partial list of affected parts approved for return to service by Genuine Repairs Aerospace, Inc.

Nomenclature	Part Number	Serial Number
STATER COUPLING	447628	
8-9 SPACER	5004307-07	RZ5201
C-7 DISK	5006007-022	BENCAL7919
C-7 DISK	5006007-022	BENCAN7454
C-7 DISK	5006007-022	BENCAN5855
CSD COUPLING	644476	1164
T-2 SHAFT	670869	P53829
FUEL GEAR SHAFT	670955	26A01
C-9 DISK	701509-001	NENCAH3210
C-9 DISK	701509-001	NENCAH1730
C-9 DISK	701509-001	N98378
C-9 DISK	701509-001	NENCAH3141
C-9 DISK	701509-001	NENCAH1973
C-9 DISK	701509-001	NENCAH2371
#5 BRG HOSUING	725537	M218
C-8 DISK	748608-001	BENCAM3679
C-8 DISK	748608-001	BENCAL1423
C-10 DISK	772510-001	T49067
C-10 DISK	772510-001	BENCAM0907
C-10 DISK	772510-001	BENCAK9421
C-10 DISK	772510-001	P98114
C-10 DISK	772510-001	BENCAM1630
C-10 DISK	772510-001	BENCAN0716
C-11 DISK	772511-001	BENCAL3024
C-11 DISK	772511-001	BENCAM0104

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UNAPPROVED PARTS NOTIFICATION

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Nomenclature	Part Number	Serial Number
C-11 DISK	772511-001	BENCAK7286
C-11 DISK	772511-001	BENCAL9482
C-11 DISK	772511-001	S03984
C-11 DISK	772511-001	BENCAP0178
C-11 DISK	772511-001	P97307
C-11 DISK	772511-001	BENCAL7334
C-12 DISK	772512-001	R45403
C-12 DISK	772512-001	P97487
9-10 SPACER	773177	GY0234
C-7 DISK	774407-001	N70446
C-7 DISK	774407-001	T05127
C-7 DISK	774407-001	R03111
#4 HOUSING	786484	MV2430
#4 BRG HOUSING	786484	P07855
C-8 DISK	787208-001	S39877
C8 HUB	787208-001	BENCAL9194
C-8 HUB	787208-001	P44752
C-8 DISK	787208-001	BENCAN9535
C-8 HUB	787208-001	BENCAM9921
C-12 DISK	798512-001	BENCAH3099
C-12 DISK	798512-001	BENCAK9231
C-12 DISK	798512-001	BENCAN2914
C-12 DISK	798512-001	BENCAM1438
C-3 DISK	799773	S55374
STIFFENER	811264-002	NSN
STIFFENER	811265-002	NSN
C-7 DISK	815607-001	BENCAP7581
C-7 DISK	815607-001	BENCAP3165

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UNAPPROVED PARTS NOTIFICATION

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Nomenclature	Part Number	Serial Number
C-7 DISK	815607-001	BENCAS 6155
C-9 DISK	815609-001	BENCAS 4775
C-9 DISK	815609-001	BENCAR6011
C-10 DISK	815610-001	BENCAR6701
C-10 DISK	815610-002	BENCAS 4794
C-10 DISK	815610-002	BENCAP 6812
C-11 DISK	815611-001	BENCAS 5222
C-11 DISK	815611-002	BENCAL9812
C-12 DISK	815612-002	BENCAR7517
C-12 DISK	815612-002	BENCAP 1051
C-12 DISK	815612-002	BENCAS 4760
C-7 DISK	815707-001	BENCAP 5700
C-8 HUB	815708-002	BENCAR5480
STIFFENER	819166	NSN
STIFFENER	819167	BMEWAJ2663
8-9 Spacer	821917	LG6436
9-10 Spacer	821920	PK2900

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UNAPPROVED PARTS NOTIFICATION

AIRCRAFT MAINTENANCE DIVISION, AFS-300
800 INDEPENDENCE AVE S.W.
WASHINGTON D.C. 20591

U.S. Department of Transportation
Federal Aviation Administration

No.2008-S200708310320
February 6, 2008

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

AFFECTED PARTS

Cabin controllers and outflow valves.

PURPOSE

The purpose of this notification is to advise all aircraft owners, operators, manufacturers, maintenance organizations, and parts suppliers and distributors regarding improper maintenance performed on cabin controllers and outflow valves.

BACKGROUND

Information received during a Federal Aviation Administration (FAA) Suspected Unapproved Parts (SUP) investigation revealed between June 2006 and October 2007 Ford Instruments and Accessories, LC, located at 6855 Tico Road, Suite 11, Titusville, FL 32780, improperly maintained, overhauled, and approved for return to service cabin controllers and outflow valves manufactured by Airesearch/Honeywell contrary to the regulations. Ford Instruments and Accessories, LC, holds FAA Air Agency Certificate No. F2UR186Y with limited accessory, limited instrument, and limited radio ratings.

Evidence indicates that Ford Instruments and Accessories, LC, approved cabin controllers and outflow valves for return to service that were not maintained in compliance with the manufacturer's maintenance manuals or other data acceptable to the FAA. Discrepancies include: (1) failure to perform required tests and inspections (2) failure to complete requisite repair and overhaul process steps and (3) converting and/or modifying appliances without using approved data.

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, aircraft records, and/or parts inventories for any cabin controllers and outflow valves approved for return to service by Ford Instruments and Accessories, LC. Appropriate action should be taken if any referenced affected parts have been installed on an aircraft. If any existing inventory includes these affected parts, the FAA recommends that you quarantine the affected parts to prevent installation on an aircraft until a determination can be made regarding eligibility for installation.

FURTHER INFORMATION

Further information concerning this investigation, and guidance regarding these affected 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 referenced affected parts, the means used to identify the source, and the actions taken to remove the affected parts from aircraft and/or stock.

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UNAPPROVED PARTS NOTIFICATION

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This notice originated from the FAA North Florida FSDO, 5950 Hazeltine National Drive, Citadel International, Suite 500, Orlando, FL 32822, telephone (407) 812-7725, fax (407)-812-7710.

Below is a partial list of parts manufactured by Airesearch/Honeywell that were approved for return to service by Ford Instruments and Accessories, LC.

Description	Part Number	Serial Number
OUTFLOW VALVE	103648-1	21-3556
OUTFLOW VALVE	103648-1	60-3256
OUTFLOW VALVE	103648-1	69-2589
OUTFLOW VALVE	103648-1	100-3293
OUTFLOW VALVE	103648-1	21-3552
OUTFLOW VALVE	103648-1	42-4101
OUTFLOW VALVE	103648-1	64-1296
OUTFLOW VALVE	103648-1	53-2100
OUTFLOW VALVE	103648-1	21-3548
OUTFLOW VALVE	103648-1	37-1281
OUTFLOW VALVE	103648-1	76-1008
OUTFLOW VALVE	103648-1	101-4925
OUTFLOW VALVE	103648-1	12-3862
OUTFLOW VALVE	103648-5	34-G0164
OUTFLOW VALVE	103648-5	109-1621
OUTFLOW VALVE	103598-2	76-1008
OUTFLOW VALVE	130356-9	119-109
OUTFLOW VALVE	130646-1	100-182
OUTFLOW VALVE	130646-1	94-214
OUTFLOW VALVE	130646-1	108-592
OUTFLOW VALVE	103460-7	19-3554
CABIN CONTROLLER	102340-10	121-327
CABIN CONTROLLER	103312-655-14	79-133
CABIN CONTROLLER	130346-7	108-844
CABIN CONTROLLER	130346-7	44-612

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UNAPPROVED PARTS NOTIFICATION

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Description	Part Number	Serial Number
CABIN CONTROLLER	130346-7	104-1472
CABIN CONTROLLER	130356-14	68-563
CABIN CONTROLLER	130356-14	60-752
CABIN CONTROLLER	130360-11	90-230
CABIN CONTROLLER	130360-13	42-205
CABIN CONTROLLER	130374-9	39-205
CABIN CONTROLLER	130374-9	21-115
CABIN CONTROLLER	130374-9	59-213
CABIN CONTROLLER	130374-9	108-162
CABIN CONTROLLER	130374-9	51-124
CABIN CONTROLLER	130374-9	39-185
CABIN CONTROLLER	130374-9	126-106
OUTFLOW VALVE	103112-930	103-439
OUTFLOW VALVE	103112-930	15-488
CABIN CONTROLLER	102518-7-1	37-993

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CALENDAR OF EVENTS!

ASA Events

Hazmat Training

May 14-15.....Washington, DC - *Washington Aviation Group*
May 21-22.....Miramar, FL - *Hilton Garden Inn*
June 17-18.....Los Angeles, CA - *Embassy Suites*
September 23-24.....Kansas City, MO - *TBA*

2008 Annual Conference

July 26-29.....Las Vegas, NV - *Paris Hotel & Casino*

Stay Tuned or visit our Web site for additional information!

www.ASA2008.org

Other Industry Events

May 7-8.....Airline Purchasing Expo 2008
Olympia 2 Exhibition Centre, London, UK

May 20-22.....Regional Air Cargo Carriers Association (RACCA)
Spring Conference
Marriott Westfields, Chantilly, VA

December 3-4.....Aircraft Maintenance Outsourcing Expo 2008
Cobb Galleria Centre, Atlanta, GA