



The Update Report

The Aviation Suppliers Association

Volume 12, Issue 4

April 2004

REGULATORY UPDATE

Air Eligibility Marking Optional!

Almost a year ago, the Research and Special Programs Administration published a final rule revising the Hazardous Materials Regulations (HMR) to require that all air-transport-compliant hazmat shipments be marked with an air eligibility marking. This marking would reflect the shipper's certification of compliance with the applicable requirements for air transportation.

Implementation of the air eligibility marking has been postponed!

The air eligibility marking regulation was promulgated in order to keep the United States in compliance with international standards for the shipment of hazardous materials. This marking regulation can be found at 49 C.F.R. § 172.321. Under U.S. law, use of this marking in appropriate circumstances was optional until October 1, 2004, and mandatory thereafter (note – the transition period was described in the Federal Register, although it was not repeated in the regulation as codified).

Since publication of the air eligibility rule in the United States, The International Civil Aviation Organization (ICAO) has changed the direction in which they will be taking the international standards for certifying compliance with air transport regulations. ICAO is an element of the United Nations that is responsible for working to harmonize international regulations that apply to aviation, including the air transport of hazardous materials.

ICAO has decided that instead of applying an air eligibility marking to packages in order to certify their compliance to the air transport regulations, they will instead require a written certification on the shipping paper (similar to current law in the United States). The new ICAO standard will be published in the 2005-06 ICAO Technical Instructions.

ICAO has also approved an addendum to the 2003-04 edition of the ICAO Technical Instructions that revises the air eligibility marking requirement by making it optional rather than mandatory during the interim period leading up to the effective date of the 2005-2006 ICAO Technical Instructions.

Based on ICAO's action, the U.S. Government has decided to 're-evaluate' the marking requirement. The government intends to open a public docket to address the issue of whether an air eligibility sticker is appropriate or necessary (now that implementation of such a rule is no longer necessary to harmonize with international standards). It is likely that the results of this process will be to revoke the air eligibility marking requirement (unless ICAO reverses its position again). In the mean-time, the air eligibility marking requirement that was scheduled to become mandatory on October 1, 2004 has been postponed until October 1, 2006. In the interim, the air eligibility marking shall be an *optional* marking but is not required under U.S. law.

Inside this Issue:

ASA Conference Agenda.....	35
Delegated Authority.....	37
Halon Fire Extinguishers	37
Hazmat Training	43

Congratulations to the following companies:

Uniglobe Aerospace
Irvine, CA

For their accreditation, and

First Wave, Inc.
Tulsa, OK

J.M. International
Vista, CA

Time Aviation, a Unit of Ameron Global
Valencia, CA

World Aviation Supply
Edwardsville, IL

Nordam Repair Division
Tulsa, OK

Professional Aviation Associates
Atlanta, GA

For their re-accreditation to the ASA-100 standard in accordance with the FAA's AC 00-56A Voluntary Industry Distributor Accreditation Program



A Message from ASA's President

We are very excited about the FAA's proposed rule on Organization Designation Authorization (ODA).

For distributors, one of the principle benefits could come through expansion of the class of parties eligible for FAA-delegated authority. Traditionally, the only way for a company to obtain a corporate designation of FAA-delegated authority was to have an FAA certificate, (e.g. Part 145 repair station, Part 121 air carrier, Part 21 Type Certificate, etc.). Under the new proposal, designation would be based on experience and ability, rather than being tied to some other certificate that bears its own qualifications and privileges.

The new paradigm allows independent approval organizations, like engineering firms that can approve data in much the same way that independent DERs do today. The addition of a corporate structure serves to promote a higher level of accountability and reportability to the FAA.

Among the new ODAs that ASA has envisioned would be ODAs that issue 8130-3 tags for demonstrably airworthy components. We have always felt that such an ODA could be set up at a distributor's facility (in-house ODA) or outside as an independent service facility (independent or contract ODA). It is our hope that this will allow DARs to work together in corporate teams in order to improve the services they offer to ASA members, and also to make their services more widely available. This also allows DARs to better structure a DAR business that can be developed and eventually sold to other qualified designees within or without the existing ODA structure, thus assuring an uninterrupted level of service for the distributors that rely on the designees to provide 8130-3 tags for their inventory.

This should make it easier for the distributors to obtain domestic 8130-3

forms for demonstrably airworthy components, and to obtain export 8130-3 tags for eligible class II export products.

There are issues that remain to be resolved. The Draft Order maintains a distributors' ineligibility to obtain export airworthiness approvals for Class III products—this is based on the existing regulation at 14 CFR § 21.323(b). This is an outdated restriction that ASA is working to have removed.

You will hear more about the ways that program can benefit your business at the ASA Convention on June 26-29. I look forward to seeing you there.

Best Regards

Michele Dickstein

Aviation Suppliers Association Officers:	
Michele Dickstein President	202-347-6899
Karen Odegard Corporate Treasurer	253-395-9535
Jason Dickstein Corporate Secretary	202-347-6899

Aviation Suppliers Association Board of Directors:	
Terry Bond M & M Aerospace Hardware, Inc.	(305) 925-2600
Bill Cote Volvo Aero Services, LP	(561) 998-9330
Richard Levin A.J. Levin Company	(818) 842-6464
Debra Maier The Boeing Company	(206) 662-9650
Mike Moll Scandinavian Airlines System	(847) 836-3100
Karen Odegard Pacific Aero Tech, Inc.	(253) 395-9535
Roy Resto Tracer Corporation	(414) 875-1234
Mitch Weinberg International Aircraft Associates, Inc.	(305) 685-5511

The Update Report

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

Jason Dickstein
Aviation Suppliers Association
734 15th Street, NW, Suite 620
Washington, DC 20005
voice: (202) 347-6899
fax: (202) 347-6894
email:
jason@aviationsuppliers.org

The Update Report

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

The Update Report

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

The Update Report Staff:

Publisher	Michele Dickstein
Editor	Jason Dickstein
Advertising and Production Editor	Jeanne Meade

The Update Report

For information on special package rates for advertising, contact the Association at (202) 347-6899.

© 2004. All material in this publication is subject to copyright held by the Aviation Suppliers Association, Inc. All rights reserved.

Register now for the Aviation Suppliers Association Annual Conference!

June 27 - 29, 2004

The Ritz Carlton - San Francisco, CA

Hotel Phone: (800) 241-3333 or (239) 598-3300



Monday Morning General Session

Keynote Presentation by Greg Hall, United Airlines

Airline Economic Trends – Roy Resto, Tracer Corporation, Messier-Bugatti-Tracer

Lord of the Wings: The Government Towers – Jason Dickstein, ASA

Legislative Alert! – Marshall S. Filler, Obadal, Filler, MacLeod and Klein, P.L.C.

How to Manage your Inventory Rather Than Having Your Inventory Manage You – Jon Schreiberfeder, EIM, Inc.

Monday Afternoon Workshops

Selling Parts and Services to the DoD – Roy Resto, Tracer Corporation, Messier-Bugatti-Tracer

Accurate Demand Forecasting – Jon Schreiberfeder, EIM, Inc.

ILSmart.com – Jim Sdoia, ILS

Lord of the Wings: The Return of the Inventory – Jason Dickstein, ASA

Master and Commander: The FAA Side of the World – Al Michaels, FAA & Beverly Sharkey, FAA

Tuesday Morning Workshops (Select 2)

Lord of the Wings: The Fellowship of the Export/Import – Jason Dickstein, ASA

Aerexchange – Al Koszarek, Aerexchange Ltd.

Aviation Investigations – Frank Davenport, US DOT OIG

The True Meaning of Distributor Accreditation – Jason Lewis, ASA

Business Executive Roundtable: Confession of a Small Business Owner – Karen Odegard, Pacific Aero Tech, Inc; Mitchell Weinberg, International Aircraft Associates, Inc.

Tuesday Afternoon General Session

Business Opportunities: Don't Forget About the Regionals – Richard Mills, Empire Airlines

It's The Law – ASA Staff

MRO Panel – Richard Levin, A.J. Levin Co.; Joe Marks, Timco Aviation Services; Marc Belliveau, Air Canada; Cecile Boutier, EADS Aeroframe Services

Sunday Golf Tournament!

Sunday & Monday Dinner Functions!

**Registration Fee Includes Meals and Breaks
Certificate Of Completion Provided to Attendees**

Thank you Event Sponsors

A.J. Levin Company, Inc.
Aircraft Inventory Management & Services, Inc.
Component Control, Inc.
International Aircraft Associates, Inc.
Intertrade, A Rockwell Collins Company
Inventory Locator Service;
M&M Aerospace Hardware, Inc., A B/E Aerospace Company
Pratt & Whitney
The Boeing Company
Time Aviation Services, a Unit of Ameron Global, Inc.
Tracer Corporation, Messier-Buggatti-Tracer
Unical Aviation, Inc.
Volvo Aero Services, LP
Western Aero Services, Inc.

This is a partial agenda.

*For the full agenda and registration form,
see [ASA's web site](#) or call and ask the*

Association to e-mail/fax the full conference agenda.

Who Should Attend?

**Executive, Legal,
Purchasing, QA, QC,
Receiving & Sales Personnel**

**from
Air Carriers, Air Operators,
Manufacturers, Parts Distributors
and Suppliers,
Repair Stations and Gov't Agencies
Handling Aircraft Material**

PLEASE EITHER ATTACH A BUSINESS CARD, TYPE OR PRINT

COMPLETE ALL SECTIONS

Name: _____ Badge First Name: _____
 Company: _____
 Address: _____
 City/State/Postal/Country: _____
 Phone: _____ Fax: _____
 E-mail Address: _____

Will you attend the QA Meeting? Yes, I will No, I will not Attend the QA Meeting on Saturday June, 26, 2004.

CONFERENCE SCHEDULE

Saturday, June 26, 2004	8:30 AM – 4:00 PM	QA Committee Meeting
	2:00 PM – 5:00 PM	Registration
Sunday, June 27, 2004	6:30 AM – 8:30 PM	*Golf, Registration, Welcome Dinner
Monday, June 28, 2004	6:30 AM – 9:00 PM	Registration, Breakfast, Exhibits, Conference, AM/PM Break, Lunch, Exhibits, Workshops, Reception & Banquet Dinner
Tuesday, June 29, 2004	7:00 AM – 3:00 PM	Member's Only Breakfast Meeting, Exhibits, Workshops AM Break, Lunch, Exhibits, General Session

(*All events except Golf are at The Ritz Carlton)

WORKSHOP SCHEDULE

Monday – June 28, 2004
 PM SESSION ONLY (90 minutes)
 1:30 PM – 3:00 PM
 3:30 PM – 5:00 PM

Tuesday – June 29, 2004
 AM SESSION ONLY (75 minutes)
 8:30 AM – 9:45 AM
 10:15 AM – 11:30 AM

Circle 2 Workshops

- (A) Selling Parts & Services to DoD
- (B) Accurate Demand Forecasting
- (C) ILSmart.com
- (D) The Return of the Inventory
- (E) Master and Commander:
The FAA Side of the World

Circle 2 Workshops

- (F) The Fellowship of the Export/Import
- (G) Aeroxchange
- (H) Aviation Investigations
- (I) The True Meaning of Distributor Accreditation
- (J) Business Executive Roundtable

Conference Fees:	Save \$50 if Registered		
	By April 30, 2004	April 30-June 21	After
	"Early Bird Fee"	Pre-Conference Fee	June 21, 2004
Member.....	\$595	\$645	\$695
Member Add'l Attendee.....	\$525	\$575	\$625
Non-Member.....	\$695	\$745	\$795
Non-Member Add'l Attendee.....	\$625	\$675	\$725
Spouse Companion.....	\$150	\$150	\$150
Golf Tournament.....	\$125	\$125	\$125

*Early bird fee does not apply to exhibitor fee. To receive early-bird rate, check or credit card information must be received at ASA by 4 PM est., April 30, 2004. To receive pre-conference registration rate, check or credit card information must be received at ASA by 4 PM est., June 21, 2004. Special Rates available for air carrier and government personnel. Please contact ASA for details.

Interested In exhibiting? Limited space available.

Member.....\$ 1150 Non Member.....\$1225

PHOTOCOPY THIS FORM FOR ADD'L REGISTRANTS. MAINTAIN A COPY FOR YOUR RECORDS. CONFIRMATIONS WILL BE FAXED TO REGISTRANTS.

Mail or Fax Completed Form Along With Payment To:

**Aviation Suppliers Association
 734 15th Street, NW, Ste. 620
 Washington, DC 20005**

**Phone: (202) 347-6899
 Fax: (202) 347-6894**

HOTEL INFORMATION

Contact the hotel and make your reservations today! Room block under Aviation Suppliers Association.

The Ritz Carlton
 600 Stockton Street
 San Francisco, CA 94108

Tel: (800) 241-3333 or (415) 296-7465

Special rate of \$159.00 + tax per night!

ROOM RESERVATION POLICY: In order to retain your room reservation, ASA must receive your conference registration form by June 4, 2004.

SPOUSE/COMPANIONS? Guest name: _____

Sunday and Monday evening social events are included in Spouse/Companion registration fee. (A Spouse/ Companion is one who does not work for the company whose representative is attending the ASA conference.)

Total enclosed: _____

MC/Visa AMEX

Credit Card # _____

Exp. Date _____

Card Holder Signature _____

CANCELLATION POLICY

All conference cancellations must be received in writing. Cancellations before May 28, 2004 will be charged a \$75.00 service fee. There will be no refund for cancellations received on or after May 28, 2004. There will be no refund for golf cancellations by registrants. If the golf tournament is cancelled by the golf course a percentage of the golf fee will be refunded.

Delegated Authority!

The FAA has unveiled significant changes in the system it uses to delegate aircraft certification and airworthiness approval authority to private sector organizations. The FAA has published a proposed rule that would establish procedures for obtaining Organization Designation Authorization (ODA). The ODA is a new type of organizational designation that would replace several current types of designations. The proposal would make even non-certificated organizations such as distributors eligible to obtain an ODA.

The FAA has become increasingly dependent upon designees of all types in order to keep up with its steadily escalating workload. A 1993 study by the General Accounting Office, for exam-

(Continued on page 38)

Halon Fire Extinguishers

Halon fire extinguishing agents are used throughout the world. In aircraft, they can be used to protect systems (like engines) from fire and they can also be found in the cabin as hand-held fire extinguishers.

Distributors who handle fire extinguishers, or components related to fire suppression systems need to understand what they can do, and what they cannot do, with halon.

The name "halon" is a derivative of the term "halogenated hydrocarbon." There are a number of different forms of halon that are used for fire suppression, including Halon 1211 (BCF) and Halon 1301 (BTM). Halon is a liquefied compressed gas which stops the spread of fire by chemically interrupt-

ing combustion – rather than by physically smothering the fire the way most fire-fighting agents do. Halon is an odorless, colorless, electrically nonconductive gas that is popular for fire suppression because it leaves no residue after use. It is particularly popular in aircraft, because the fact that it does not smother the fire and that it dissipates quickly means it is safe for use in the closed confines of an aircraft. It is also effective against the wide variety of fires that are reasonably possible within an aircraft (e.g. ordinary combustibles, flammable liquids, electrical fires, etc.) and the fact that it dissipates quickly with no residue also means that there is nothing left to corrode or damage the aircraft itself.

(Continued on page 41)

IF YOUR INSURANCE AGENT DOESN'T UNDERSTAND YOUR BUSINESS

It's time to consider someone who does.

As members of the ASA The Silver Eagle Agency has worked with many aviation businesses to solve their insurance related problems. This has given us a unique insight into the difficulties that you face when working with agents not familiar with your industry.

We have specific programs and policies designed for your business to provide you the best coverage at the most economical price.

Call John Howard at the number below to discuss any of the following products:

Aviation Products Liability
General Liability
Property

Automobile
Workers Compensation
Life & Health

Shipping and spare parts in transit

You will be glad you did!

*Silver Eagle Agency,
401 S. Milwaukee Avenue,
Wheeling IL. 60090*

*Telephone 847-229-1500, Facsimile 847-229-1515
Or visit our website at www.silvereagleinsurance.com*

Organization Designation Authorization (ODA)

(Continued from page 37)

ple, found that there has been a fivefold increase since the 1950s in the amount of work needed to certificate a new aircraft. A 1996 report by a major consulting firm pointed to the need for the FAA to “do more with less” as it deals with increasing complexity in aircraft manufacturing and maintenance issues, and in airline operations, ownership, and services. The ODA program was developed in response to these challenges. The program expands the certification and approval functions of FAA organizational designees, standardizes designee functions to increase efficiency, and expands eligibility for organizational designations to organizations that are not eligible under current rules, such as non-certificated “consultant” organizations.

Background

The ODA program has been in the works for some time. The current proposal traces its roots back to 1993, when the FAA’s Aviation Rulemaking Advisory Committee (ARAC) established a Delegation System Working Group. The working group, which was composed of various industry representatives (including ASA), was tasked with reviewing existing designee programs in order to find ways to improve the safety, quality, and effectiveness of the system. We were asked to recommend to the ARAC new rules, revised rules, and other advisory and guidance materials such as legislative and training materials. The FAA sought a recommendation for a comprehensive, up-to-date, systematic approach to delegating aircraft certification functions to both individuals and organizations.

The group’s early efforts, however, were focused primarily on aircraft certification functions to the virtual exclusion of other activities, such as airworthiness approval functions. Based upon

our work to expand this scope, the FAA formally expanded the task of the working group in 1998 to include developing recommendations on designating Organizational Designated Airworthiness Representatives (ODARs) under 14 CFR § 183.33. At the same time, the FAA asked the working group to examine a further range of issues, like duration of delegations and an expanded range of delegated functions.

The working group’s recommendations form the basis for the current proposed rule. The FAA is also relying on experience gained in previous efforts to standardize the selection, oversight, and certification of designee organizations, like Order 8100.9, DAS, DOA, and SFAR 36 and also demonstration projects like the ADEOS program, which showed how a management DAR can be used to confirm the completeness of a STC project.

Overall, the FAA has found over the past 40 years that the quality of approvals processed by designee organizations has been equivalent to that of the FAA itself. This gives the agency the confidence to broaden the range of delegated functions, further freeing the agency’s resources to allow it to concentrate its efforts on the most critical and complex certification functions.

The Proposal

The proposed rule would create a new subpart D in 14 CFR part 183 that would contain one set of rules to apply to all types of organizational designees. Designation of individuals would continue much as before under the authority of subparts B and C of part 183. Specifically, the proposed rule would replace the existing DAS, DOA, SFAR 36, and ODAR designation programs with a new delegation program for organizations. As a consequence, subparts J and M of part 21 and SFAR 36

would ultimately be phased out.

The new Organization Designation Authorization would consist of two elements: the ODA Unit and the ODA Holder. The ODA Unit would be an identifiable unit of two or more individuals within the organization that performs the applicable functions on behalf of the FAA. The ODA Holder would be the parent organization to which the FAA grants an ODA Letter of Designation. The proposed rule sets out separate requirements for the ODA Unit and ODA Holder. Nevertheless, it is possible for all the employees of the ODA Holder to be part of the ODA Unit, as long as those employees perform the functions required in both capacities.

The ODA Holder is ultimately responsible for the functions performed by the ODA Unit. The procedures that the ODA Unit and ODA Holder follow would be identified in an FAA-approved procedures manual. The administration of the ODA Unit is to be independent of other parts of the organization whose work the ODA Unit is reviewing in order to ensure that the ODA Unit is not subject to pressure from any other part of the organization. The proposed rule provides safeguards to ensure the integrity of the process, most notably a requirement that the ODA Holder perform self-audits to ensure that there is no interference with individuals performing functions on behalf of the FAA. These measures are in addition to current authorization requirements for procedures manuals, recordkeeping, and data review if an airworthiness problem or unsafe condition occurs. ODA Holders would also be required to cooperate with the FAA its audits, oversight, and surveillance of their facilities.

(Continued on page 39)

ODA May Permit Distributors to Issue 8130 Tags

(Continued from page 38)

Eligible Organizations and Functions

The proposal would allow the FAA to delegate aircraft certification and airworthiness approval functions to qualified organizations other than manufacturers, air carriers, commercial operators, and repair stations. Because holding an FAA certificate is not an eligibility requirement for obtaining an ODA, the proposed rules allow what the FAA refers to as “consultant groups” of engineering and inspection personnel to form an organization and obtain an ODA.

The proposal also expands the designee system to delegate more functions related to aircraft certification and new functions relating to the certification and authorization of airmen, operators, and air agencies. For general aviation operations, for example, the proposed rule would allow designated organizations to issue airman certificates or authorizations under 14 CFR parts 61, 63, and 91. The proposed rule sets out only general requirements, in order to preserve flexibility in FAA delegation programs. The rule thus allows for future expansion of the designation of organizations and the delegation of functions without further rulemaking.

Specific details are addressed in the associated Order 8100.ODA, *Organization Designation Authorization Procedures*, a draft version of which has been published along with the proposed rule. The Order sets forth the specific functions that may be delegated and the eligibility requirements for those functions. It also addresses the specific selection, appointment, and oversight procedures the FAA will use to manage these designations. Draft Order 8100.ODA identifies seven specific types of ODAs envisioned at the outset of the program:

Type Certification (TC) ODA. The TC ODA holder may manage and make findings for type certification programs. In addition to the engineering and manufacturing approvals necessary as part of the certification program, they may also issue airworthiness certificates. The TC ODA is intended primarily for existing TC and PC holders, but is also available to consultant groups with the required knowledge and experience. Existing DOAs could transition into TC ODAs. TC ODA holders, however, may not issue a TC or amended TC.

Production Certification (PC) ODA. This ODA type may issue airworthiness certificates, determine conformity, amend their Production Limitation Record (PLR), and approve minor changes to their quality control manual. It is available only to existing production certificate holders. Existing DOAs could transition into PC ODAs.

Technical Standard Order (TSO) Authorization Holder ODA. This ODA type may make airworthiness approvals and determine conformity in support of type certification or supplemental type certification projects. It is available only to existing TSOA holders.

Supplemental Type Certification (STC) ODA. This ODA type may develop and issue STCs and airworthiness certificates. It is intended primarily for repair stations, operators, and manufacturers of products, but is also available to consultant groups with the required knowledge and experience. Existing DASs would transition into STC ODAs.

Major Repair, Alteration, And Airworthiness (“MRA”) ODA. This ODA type may approve data for major repairs and alterations, issue airworthiness certificates, and perform aging airplane inspections and records re-

views. It is intended primarily for repair stations and operators, but is also available for consulting groups to be authorized to approve major repairs and alterations. Existing SFAR 36 approval holders would transition into MRA ODAs.

Parts Manufacturer Approval (PMA) ODA. This ODA type may issue PMA supplements based on test and computation approvals or licensing agreements (but *not* identity). It is only available to existing PMA holders.

General Aviation Operation Functions. This ODA type may perform functions related to Flight Standards' airman, operating and air agency certificates. It is intended for those organizations with significant experience and expertise performing the functions authorized.

Organizations that desire an ODA may apply for as many types and functions as they qualify for. Organizations may choose to have separate procedures manuals for each type of ODA, or a common procedures manual that addresses all types of ODAs. There will be only one ODA Letter of Designation issued and one ODA number assigned in the FAA's Designee Information Network. The Letter of Designation will list each type of ODA and detail the authorized functions for each type.

Limits Of ODAs

Section 183.49(c) of the proposed rule lists a number of authorized functions that an ODA Unit may perform, to include “approving technical data and changes to approved data” and “finding compliance with airworthiness standards.” Although the FAA is significantly expanding the range of functions it delegates, certain areas remain reserved for the agency itself. The pro-

(Continued on page 40)

ODA Permits Better Oversight of Delegated Authority

(Continued from page 39)

posal identifies a number of functions that FAA will not delegate to ODAs. These include issuing a type certificate or amended type certificate; issuing a production certificate; issuing a PMA; finding compliance for issuing repair station certificates under part 145; approving quality assurance manuals or procedures; and making certain findings for issuing design or production certificates (e.g., establishing the certification basis or special conditions, establishing means of compliance not previously accepted by the FAA, and determining equivalent level of safety). In addition, the FAA points out that there is no regulatory basis for designees to perform rulemaking activity or FAA oversight of certificate holders or other designees. Accordingly, ODA will not allow delegation of such functions as issuing an Airworthiness Directive, issuing an exemption, or conducting surveillance and oversight.

Managing Orgs vs. Individuals

The FAA foresees significant advantages in appointing organizations rather than individual designees. Organizational designees are managed using a systems approach, which focuses on the experience and qualifications of the organization, approval of the procedures used by the organization, and oversight of the functions the organization performs. This allows the agency to focus on the designated organization's functions as one system, rather than concentrating on monitoring and supervising individual designees. Ultimately, the FAA expects that organizations that obtain an ODA will surrender a significant number of their individual designees. The agency believes that even those organizations that operate under both ODA and standard certification procedures in the future would need a much smaller number of individual designees. The FAA envisions

that the functions most individual designees employed by an organization perform would be done under the auspices of the ODA system.

Although the FAA is clearly counting on a reduction in the number of individual designees, organizations that currently employ them will not – initially at least – be forced to give them up. The FAA identifies three options in its proposal for organizations that currently have individual designees. These organizations could: (1) continue to use only these designees and operate under standard certification procedures; (2) choose to operate under an ODA rather than use individual designees; or (3) operate under *both* systems – though not on the same project or program – depending on the certification needs of the organization and the regulatory needs of the FAA.

(Continued on page 42)

June 26–29, 2004

The Ritz Carlton—San Francisco, CA

www.ritzcarlton.com



Room Rates: \$159.00
(block under ASA)

Reservations: 800-241-3333
or contact the hotel directly
at 415-296-7465

Topics Include:

Accreditation
Aerexchange
Export/Import
FAA Updates
ILSmart.com
Inventory Management
Laws
Legislative Alert
MRO Panel
Regional Airlines
Selling to the DoD
Business Executive
Roundtable

ASA 2004 Annual Conference

Don't Miss the aviation supplier industry's most informative conference. Join us for our educational general sessions, instructive workshops and plenty of networking opportunities with industry experts, air carriers, government officials and your colleagues.

See agenda and registration details on pages 35 & 36 in this issue.
Complete conference program available on our website at:

www.aviationsuppliers.org

Halon Extinguishers Banned in Europe, But Exceptions Remain

(Continued from page 37)

Unfortunately, halons are also ozone-depleting substances. They have bromine atoms that make them even more effective at ozone-depletion than chlorofluorocarbons. As a consequence, the production of halon was prohibited in developed countries on December 31, 1993 by an international treaty, the Montreal Protocol on Substances that Deplete the Ozone Layer.

As a result of the Montreal Protocol ban in conjunction with the negative environmental impacts of the chemical, many halon system owners or managers have begun to replace halon systems with other means of fire protection. That has proved difficult in the aviation industry, though.

Unfortunately, some critical halon uses have no alternative fire protection options and require continued halon use. Because halon can no longer be produced in the U. S. and other developed countries, halon necessary for critical uses must be derived from existing halon supplies. Accordingly, the halon

being removed from existing installations is of great importance and is usually conserved through a "halon bank."

There are dangers associated with the handling of halon-containing systems. Because of the dangers associated with halon, the Fire Suppression Systems Association issued a safety notice in 1997 that recommended:

- Only qualified and experienced fire suppression system service professionals should perform decommissioning activities.
- Decommissioning personnel should be thoroughly trained in safe handling procedures as well as proper procedures related to disabling, removing, transporting, shipping, and emptying halon cylinders.
- All relevant procedures specified in manufacturer's Owner's, Service, Operation, and Maintenance manuals should be followed.

- Cylinder brackets should NOT be removed and cylinders should NOT be disconnected from system piping, or moved or shipped, without first disabling the actuation devices and providing protective caps and anti-recoil devices.

Halon is being phased out to the extent possible. In 2000, the European Parliament passed Regulation (EC) No. 2037/2000 which banned the use of halon and other substances that deplete the ozone layer. That regulation banned the use of halon fire extinguishers in the European Community except for certain critical uses. For our industry's purposes, these critical uses include:

- Halon 1211 and 1301 may be used in aircraft for the protection of crew compartments, engine nacelles, cargo bays and dry bays;
- Halon 1211 may be used in handheld fire extinguishers and fixed

(Continued on page 43)

SUSPECTED UNAPPROVED PARTS? *It's Everyone's Business!*

To report SUPs, call:

FAA Aviation Safety Hotline - (800) 255-1111

Dept. of Transportation, Inspector General - (800) 424-9071

NASA Office of Inspector General - (800) 424-9183

Dept. of Defense, Inspector General - (800) 424-9098

In Canada, Transport Canada Hotline - (800) 305-2059

Boeing Commercial Airplanes Hotline - (888) 223-PART

Boeing International Hotline - (206) 662-7144



Comment on ODA Proposal by May 20

(Continued from page 40)

The FAA is proposing a transition period of three years from the time the final rule is published. No new DAS, DOA, SFAR 36, or ODAR applications would be accepted after the date the final rule is published. Existing DAS, DOA, SFAR 36, and ODAR designations would be required to reapply under part 183, subpart D for an ODA so the FAA can verify that the applicant meets all the requirements of the ODA regulations, such as requirements for a procedures manual. All of these older designations would be terminated at the end of the transition period, as would their supporting regulations.

During the initial three-year transition period, the FAA estimates that it will process about 60 ODA applications per year, a figure that is expected to drop to about ten per year thereafter. The agency anticipates that most ODAs will be issued to existing DAS, DOA, SFAR 36, or ODAR organizations, as well as other organizations currently authorized to perform delegated functions. Only applicants in the United States will be eligible for an ODA. The FAA does not expect the proposed system to dramatically increase the number of aircraft-approval-related delegations. Indeed, the agency points out that it does not intend to issue authorizations to all qualified organizations that might apply for an ODA. The FAA states that it will issue authorizations only if it has the resources to manage the organization and only if the designation will benefit the FAA and the public.

Due Process Concerns

The FAA is careful to stress in the proposal that an ODA, like any other delegation of authority by the FAA, is not a certificate. A delegation is made solely at the discretion of the Administrator and can be suspended, revoked, or

withheld at any time and for any reason the Administrator deems appropriate. Adverse actions involving delegations cannot be appealed to the National Transportation Safety Board, as certificate actions can.

The extent of the due process ODA Holders can expect is outlined in the administrative procedures set forth in Order 8100.ODA. While these procedures provide procedural guidelines for how the FAA is to handle adverse delegation actions, they ultimately do not provide designees truly reliable protection against arbitrary FAA actions. Attempts by designees to challenge adverse actions in the courts have repeatedly failed because the courts have consistently found that the Administrator's statutory discretion over delegations is so broad that the FAA cannot even be obliged to follow its own written procedures and policies.

Conclusion

The FAA anticipates that the introduction of the ODA program will have a number of benefits for the aviation industry. The expansion of delegated authority into new areas of general aviation operations promises to make more effective use of industry expertise and further leverage the FAA's ability to meet the industry's needs. The aim is to reduce the overall backlog and waiting time for aircraft certification and airworthiness approval functions. The industry stands to benefit from any improvements in these areas. While the new requirements will undoubtedly impose transition costs on existing organizational designation holders, the FAA cites the findings of the Delegation Authorization Working Group in concluding that the overall benefits of the ODA program will outweigh the costs.

For distributors, ODA presents an opportunity for qualified companies to

create in-house DAR, or to work with outside (independent) DAR companies, that would make it easier to obtain 8130-3 tags for airworthy parts.

The FAA expects the ODA program to reduce its administrative workload. That expectation, however, appears to be based on the assumption that the number of individual designations the agency currently oversees will go down significantly as organizations that employ designees apply for ODAs. This appears to be a reasonably safe assumption, at least from the perspective that one ODA could replace multiple individual delegations. Still, the full extent of this anticipated reduction in the number of designations to be managed remains to be seen. As the FAA points out in its proposal, many organizations will be under no obligation to discontinue using individual designees under standard certification procedures. If the workload reduction proves to be less than hoped, it may have an effect on the number of ODAs granted, since the FAA cites the availability of agency resources to manage the new ODAs as a potential constraint on the number of new ODAs issued.

Where to Find Them

The FAA is seeking comments on the program by May 20, 2004. ASA encourages all interested parties to take a close look at the proposed rule and the associated draft order to see how they will be affected. Industry feedback on the FAA's estimates of the financial and administrative burdens involved is always particularly important. The proposed rule can be found at <http://www2.faa.gov/avr/arm/nprm.cfm> and Draft Order 8100.ODA can be found at <http://av-info.faa.gov/dst/oda>.

Halon Fire Extinguisher Tips for Distributors

(Continued from page 41)

extinguisher equipment for engines for use on board aircraft;

The regulation was amended on September 22, 2003 by Regulation (EC) No. 1804/2003, but the limitations on the use of halon remain in place.

What does this mean for distributors?

- It is still legal to sell a halon fire extinguisher in the United States for aviation use; in fact, in January of this year, the FAA published advisory guidance stating that halon is still the best choice for fighting in-flight fires;

- Use of halon fire extinguishers in Europe is now forbidden in many cases, so your market for halon-based fire fighting equipment is limited only to situations where the government has established an exception (certain aircraft, in-erting, and military uses);

- Fire extinguishers with compressed gasses like halon are hazardous materials and should only be shopped by trained personnel in accordance with the applicable regulations;
- If you are planning to scrap a halon fire extinguisher, you should

seek the assistance of a trained professional, and you should make sure the halon is appropriately captured (and not released to the atmosphere).

For more information on FAA policy governing fire-fighting equipment in aircraft, see:

- Hand Fire Extinguishers for Use in Aircraft, FAA Advisory Circular 20-42C (March 7, 1984)
- In-Flight Fires, FAA Advisory Circular 120-80 (January 8, 2004)

HAZMAT TRAINING?

The Federal Regulations state that anyone who ever ships hazardous materials is a hazmat employer. The FAA has stated that companies who receive aircraft parts, like repair stations are presumed to be hazmat employers because of the significant number of hazmats used in our industry. Hazmat employers are required by law to train any employee who affects the safe transportation of hazmat.

If you ship used engine components, batteries (including apparatus with primary or back-up battery power), chemical oxygen generators, certain control surface counter-weights (which may have a low-level of radioactivity), paint, or anything with fuel residue remaining in it, then you may be shipping hazmat!!

ASA provides the training that the law says you MUST have. ASA has already held its first 2004 recurrent hazmat training class in Florida, and is continuing to develop its fall training schedule RIGHT NOW.

*If you need recurrent or initial hazmat training,
call ASA at (202) 347-6898 and ask for Jeanne Meade.*

Issues of the Update Report Are Now Online!

Are you reading a borrowed copy of the Update Report? Subscriptions to the Update Report are now FREE to persons in the aviation industry or the government. To receive your free subscription, send your name, title, company, address, phone number, fax number and email address to ASA. Our email address is info@aviationsuppliers.org and our fax number is (202) 347-6894.

Back issues of the Update Report are now on-line! Missing a prior issue? Issues of the Update Report are being added to the ASA web site shortly after they are published.

UPCOMING EVENTS * = *Look for ASA Personnel on the speaking program or on the Trade Floor*

2004

May 18-20 *AS3 and GSE, Las Vegas, NV. See <http://www.gseexpo.com/gseexpo/index.po> for details.

June 27-29 *ASA Annual Conference, Ritz-Carlton Hotel, San Francisco, CA.
See http://www.aviationsuppliers.org/training/Conference_04.htm for details

Aug 21-24 ACPC, Marriott Marquis Hotel, New York, NY. See <http://www.acpc.com> for details.

Sept. 14-16 MRO Europe, Copenhagen, Denmark. See <http://www.awgnet.com/conferences/meumain.htm> for details.

Do you have suggestions for what you'd like the Association to focus on for 2004? Now is your opportunity to let us know what you need! Please do not hesitate to contact the Association by phone, fax or email if you have suggestions or items that you'd like us to concentrate on in 2004.

Aviation Suppliers Association
734 15th Street, NW, Suite 620
Washington, DC 20005
Telephone: (202) 347-6899
Facsimile: (202) 347-6894

April 2004