



# The Update Report

The Aviation Suppliers Association

Volume 11, Issue 4

April 2003

## REGULATORY UPDATE

### Aircraft/Parts Fraud Rule Proposed

The FAA has published its long-awaited proposed rule governing false and misleading statements regarding aircraft products, parts, and materials. The rule, developed by the FAA's Suspected Unapproved Parts Program Office, is designed to enhance the FAA's authority to take enforcement action against persons who make false or misleading statements concerning the airworthiness of aeronautical products and parts. It is designed in particular to extend the regulatory reach of the FAA to uncertificated parties such as parts distributors. The rule also allows for increased FAA inspection of records regarding the quality of aircraft parts.

When a distributor acquires a part, or a customer buys a part from a distributor, he or she seldom has the time or resources to independently verify its airworthiness. Instead, distributors and their customers must necessarily rely on the representations of others that the part is airworthy. These representations may be found in shipping documents, invoices, maintenance logs, or an FAA Form 8130-3 signed by an appropriately certificated person approving the part for return to service following maintenance. Regardless of the specific type of representation the distributor or customer demands, however, that assurance is ultimately only as good as the word of the person who makes it. This rule would impose additional FAA over-

sight over this sort of documentation.

Our current system works because in almost all cases, the purchaser or installer of a part can rely on the word of the person attesting to its airworthiness. The vast majority of members of the aviation industry take their safety responsibilities very seriously, and are careful to adhere to the highest standards of honesty and business integrity when dealing in aircraft parts. Unfortunately, as in any industry, there will always be a small number of less scrupulous individuals who cut corners in one way or another. Because the potential consequences of fraud are so serious – and so apparent to the public – even a few bad actors can cast doubts on the entire industry.

#### Current State of the Law

Fraud is illegal in all fifty states, and can carry criminal as well as civil penalties. The proposed rule would give the FAA concurrent jurisdiction over certain types of fraud, permitting the FAA to investigate and punish such misconduct, too.

The FAA already has some jurisdiction over certain frauds. There is an anti-fraud rule under the manufacturing regulations of Part 21. 14 C.F.R. § 21.2 prohibits fraudulent and intentionally false statements on applications for certificates or approvals un-

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*Congratulations to the newly accredited and re-accredited companies*

#### Newly Accredited:

**Aviatronics, Inc.**  
Santa Fe Springs, CA

#### Re-Accreditation

**Aerospace Sales,  
a Division of A. Biederman**  
Glendale, CA

**H&B Aircraft Parts, Inc.**  
Santa Clarita, CA

*Congratulations to the new accredittees and reaccreditees for their accreditation to ASA-100 and AC 00-56A. More information about this program is available at <http://www.aviationsuppliers.org>*



## A Message from ASA's President

Over the past few months there has been a lot of legislative and regulatory activities going on in Washington DC that will impact distributors. Below are two examples of issues that your company should be either submitting comments on or contacting your local representative to show your support.

With the issuance of FAR 3, the FAA has completed one of its long-standing projects. The article in the newsletter details the pros and cons of the new proposed regulation. This is your opportunity to comment on rules that will directly impact your company. If you do not feel comfortable writing a separate comment, please forward your comments to ASA for inclusion in the Association's comments. Additionally, Jason Dickstein will be available at the annual conference to discuss any issues you want addressed in the comments.

Another issue that is being fervently worked on at Capital Hill is the lack of FAA enforcement of FAR 21.50 (b). This regulation deals with manufacturers providing Instructions for Continued Airworthiness. The Aeronautical Repair Station Association has been spear heading this campaign. The proposed language is in the FAA

The Annual Meeting of the membership of the Aviation Suppliers Association, Inc., will take place on Tuesday, June 24 from 8:00 a.m. until 9:00 a.m. at the Ritz-Carlton Hotel in Naples Florida. This membership meeting will be a part of the ASA 10th Anniversary Conference held June 22-24. Conference registration information is available at:  
<http://www.aviationsuppliers.org>

Reauthorization Bill and is excellent for the industry. For more information on this effort, please go to [www.arsa.org](http://www.arsa.org).

ASA has been represented at several recent conferences/conventions. Jeanne, Jason and Jason said it was nice to see members out and trying to promote new business. Industry activity remains unchanged as many companies, including our customers, are having difficult times. New business is out there, it just may be different than the type of work you had 1-3 years ago. Attitudes at the RAA and MRO were high as both markets are expected to increase in the coming years.

The conference is fast approaching and the hotel is trying their best to accommodate our attendees. We are already sold out at the hotel on certain nights. Please make your reservations as soon as possible to insure that you are staying at the meeting location. If you have any difficulty with your reservations, please contact Jeanne Pearsall at ASA.

Best regards,

Michele Dickstein

**Board of Directors:**  
**Terry Bond** 305-925-2600  
M & M Aerospace Hardware, Inc.  
**Amy Cochis** 860-565-2712  
Pratt & Whitney SMMO  
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### The Update Report

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

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Washington, DC 20005  
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fax: (202) 347-6894  
email:  
[jason@aviationsuppliers.org](mailto: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

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

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**Michele Dickstein** 202-347-6899  
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Corporate Treasurer  
**Jason Dickstein** 202-347-6899  
Corporate Secretary

Have you registered yet for this year's Aviation Suppliers Association  
2003 Annual Conference and 10<sup>th</sup> Anniversary Celebration?



June 22 – 24, 2002

The Ritz Carlton - Naples, FL

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

Monday Morning General Session

Keynote Presentation by **James Hlavacek, ATA Airlines**

**EASA – Why, What, Where, When & How**—Barry Valentine, GAMA

**Materiel & Maintenance Strategies from JetBlue Airways**—Terry Inglis, JetBlue Airways

**Aircraft Maintenance Fundamentals**—Roy Resto, Tracer Corporation

**Aviation MRO** – Hal Chrisman, Cirrus Advisors

Monday Afternoon Workshops (\*Select 2 if not attending \*Special All Afternoon Workshop)

**Compliance With Export Controls**—Luis Mora, Ansett Aircraft Spares & Services

**The ABC's of the GSA FSS**—Glenn Baer, ARINC

**Let's Talk Parts**—Al Michaels, FAA & Bruce Kaplan, FAA

**Warehouse Operations** – Jason Lewis, ASA

(Monday Workshops Cont'd)

Monday Afternoon Workshops (Cont'd)

**\*Special All Afternoon Workshop - How to Build Financial Value of Your Company for Future Sale** – John Butler, Michael Roda, & Mike McCarty, Transaction Advisors; Michael Jacobs, Jacobs Capital; Roger L. Nue, The M&A Law Group; Michael S. Fredlender, Grant Thornton LLP

Tuesday Morning Workshops (Select 2)

**ILSmart.com** – Jim Sdoia, ILS

**Aviation Investigations** – Carlos Vazquez, US DOT OIG

**Hedging Against the Unexpected Outcome** – Richard Mills, Empire Airlines

**Harry Potter and the Chamber of Invoices** – Jason Dickstein, ASA

**Are you Still Not Accredited? Document Trouble?** – Jason Lewis, Kelly Lyon, & Richard Smith, ASA

Tuesday Afternoon General Session

**Government Affairs Round-up** – Jason Dickstein, ASA

**Meet with the FAA Managers** – Juanita Young, FAA & David Cann, FAA

**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

**Sunday Golf Tournament!**  
**Sunday & Monday Dinner Functions!**  
**Registration Fee Includes Meals and Breaks**  
**Certificate Of Completion Provided to Attendees**

**Social Event Sponsors:** AirLiance Materials, LLC; The Boeing Company, Intertrade, A Rockwell Collins Company; Inventory Locator Service; M&M Aerospace Hardware; Pratt & Whitney; Time Aviation Services, a Unit of Ameron Global, Inc.; Tracer Corporation; Transaction Advisors LLC; Volvo Aero Services LP

*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.*

Aviation Suppliers Association, 734 15<sup>th</sup> Street, NW, Suite 620, Washington, DC 20005  
Tel: (202) 347-6899, Fax: (202) 347-6894, E-mail: [conference@aviationsuppliers.org](mailto:conference@aviationsuppliers.org), Website: [www.aviationsuppliers.org](http://www.aviationsuppliers.org)

**PLEASE EITHER ATTACH A BUSINESS CARD, TYPE OR PRINT CLEARLY  
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 Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
 E-Mail: \_\_\_\_\_

**CONFERENCE SCHEDULE**

|                         |                   |  |
|-------------------------|-------------------|--|
| Saturday, June 21, 2003 | 3:00 PM – 6:30 PM | Registration   |
| Sunday, June 22, 2003   | 7:30 AM – 9:00 PM | *Golf, Registration,<br>Welcome Dinner   |
| Monday, June 23, 2003   | 6:30 AM – 9:30 PM | Registration, Breakfast,<br>Exhibits, Conference, AM/PM<br>Break, Lunch, Exhibits,<br>Workshops, Reception &<br>Dinner Banquet |
| Tuesday, June 24, 2003  | 8:00 AM – 3:00 PM | Member's Only Breakfast<br>Meeting, Exhibits, Workshops<br>AM Break, Lunch, Exhibits,<br>General Session                       |

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

**WORKSHOP SCHEDULE**

Monday – June 23, 2003  
 PM SESSION ONLY (90 minutes)  
 1:30 PM – 3:00 PM  
 3:30 PM – 5:00 PM

**Circle 2 Workshops**

(If not attending Special Workshop (1\*))  
 (A) Compliance with Export Control  
 (B) The ABCs of the GSA FSS  
 (C) Let's Talk Parts  
 (D) Warehouse Operations  
 (1\*) How to Build the Financial Value  
 of your Company For Future Sale  
 (All afternoon workshop.)

Tuesday – June 24, 2003  
 AM SESSION ONLY (60 minutes)  
 9:00 AM – 10:00 AM  
 10:30 AM – 11:30 AM

**Circle 2 Workshops**

(E) ILSmart.com  
 (F) Aviation Investigations  
 (G) Hedging Against Unanticipated  
 Outcome  
 (H) Harry Potter & the Chamber of Invoices  
 (J) Still Not Accredited? Document  
 Trouble?

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.)

Interested In exhibiting? Limited space available.

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For information on **Children's activities**, special rates for air carrier and government personnel, contact ASA.

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In order to retain your room reservation, ASA must receive your conference registration form by May 24, 2003.

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Member..... \$595  
 Additional person from  
 member company..... \$525  
 Non-Member ..... \$695  
 Additional person from  
 non-member company. \$625  
 Spouse/Companion ..... \$150  
 Golf Tournament..... \$100

Payments – On-Site

Member..... \$645  
 Additional person from  
 member company..... \$575  
 Non-Member ..... \$745  
 Additional person from  
 non-member company. \$675  
 Spouse/Companion ..... \$150  
 Golf Tournament..... \$100

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 24, 2003 will be charged a \$75.00 service fee. There will be no refund for cancellations received on or after May 24, 2003. There will be no refund for golf tournament cancellations by registrants. If the golf tournament is cancelled by the golf course a percentage of the golf fee will be refunded.**

## FAA Proposes Parts Fraud Rule

*(Continued from page 37)*

der part 21, and on records kept, made, or used to show compliance with part 21. There is an anti-fraud rule under the maintenance regulations of Part 43. 14 C.F.R. § 43.12 prohibits fraudulent and intentionally false statements on records kept, made, or used to show compliance with part 43. While these rules cover some records used in distributing parts (like airworthiness approvals and approvals for return to service, respectively), they do not cover all of them (e.g. SPEC 106 forms and commercial certificates of conformity).

Two federal criminal statutes also forbid false statements under certain circumstances. The Aircraft Safety Act of 2000 prohibits the falsification or concealment of any “material fact” concerning any aircraft or space vehicle part; any materially false representation concerning any aircraft or space vehicle part; the making or use of any materially false writing, entry, certification, document, record, data plate, label, or electronic communication regarding any aircraft or space vehicle part; and fraudulent representations relating to the import, export, introduction, sale, trade, or installation of aircraft or space vehicle parts.

A more general “don’t-lie-to-the-government” statute (Title 18 United States Code, section 1001) provides criminal penalties for any person who, “in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies ... a material fact, or makes or uses any false writing or document knowing the same to contain any false, fictitious, or fraudulent statement or entry.” This arguably might

have criminalized falsification of the 8130-3 tag, but today the Aircraft Safety Act of 2000 does a much better job of criminalizing such falsification.

Although these regulations and statutes cover a wide range of situations, the FAA often finds it difficult to enforce them directly. The regulatory prohibitions against fraudulent and intentionally false statements primarily apply to certificated persons. State fraud laws must be enforced by state-level law enforcement personnel, and the federal criminal statutes can only be enforced by referring the case to a U.S. attorney for prosecution. The FAA, moreover, is limited in the extent to which it can conduct investigations, in that non-certificated persons such as distributors are not required to cooperate with an FAA investigation unless the agency goes through the formal process of issuing a subpoena (although the standard for obtaining an administrative subpoena is fairly low, the FAA rarely goes through this formality). The proposed rule is intended to remedy these limitations.

### *The Proposed Rule*

Because the proposed rule does not fit easily into any one existing part of the FARs, the FAA has issued it as a new part 3. Part 3 will be applicable to “persons engaged in aviation-related activities,” as defined in part 3 itself. As currently proposed, part 3 consists of only two sections – section 3.1, which establishes the aforementioned applicability, and section 3.5, regarding aircraft, and aircraft products, parts, and materials (section numbers 3.2 through 3.4 are skipped). Other sections may be added in the future.

Section 3.5 would apply to “all re-

ords regarding type-certificated products, and to parts and materials that may be used on type-certificated products.” Section 3.5 consists of four main substantive portions: definitions; a prohibition against false statements; a prohibition against misleading statements; a provision governing statements concerning airworthiness; and a provision providing the FAA with new authority to conduct inspections of distributors and others.

### *Definitions*

Proposed section 3.5(b) offers definitions of terms used in the section. The definition of “product” – an aircraft, aircraft engine, or propeller – is the same as that used in section 21.1 (b). The term “record” includes all forms of records, including paper, microfilm, identification plates, stamped marks on parts, bar codes, electronic records (such as statements on a web page), logbooks, inspection records, reports, advertisements, and labels. No formal definitions are provided for the other terms used in part 3, such as “part or material for use on a type certificated product,” or the “acceptability” of a part for installation on a type certificated product. In the preamble to the proposed rule, the FAA states that it intends these terms to be interpreted broadly, and specifically requests comments from the public on whether these terms are sufficiently clear, whether they should be defined in the regulations, or whether different terms should be used.

The proposal also does not currently cover statements regarding fluids, that is, substances used to service an aircraft or product or that may be added

*(Continued on page 42)*

ASA will be submitting comments on the proposed rule and seeks your input. You can find the rule on the internet at <http://edocket.access.gpo.gov/2003/03-10946.htm>. Please feel free to forward your thoughts and comments (as well as copies of anything you file with the FAA) to ASA at [Jason@washingtonaviation.com](mailto:Jason@washingtonaviation.com).

## NPRM

## PROs

*(Continued from page 41)*

to an engine, container, or fitting. Examples would include fuel, oil, grease, or metal treatments. The FAA is considering extending the application of the final rule to statements concerning such fluids, and again specifically requests public comments whether there is a significant problem regarding statements concerning fluids and whether the final needs to address such statements.

*Prohibition against false statements*

The proposed rule prohibits “any fraudulent or intentionally false statement in any record that represents the airworthiness of a type certificated product, or the acceptability of any part or material for use on a type certificated product.” It further forbids any fraudulent or intentionally false reproduction or alteration of such a record. This provision does not apply to records made under part 43, since section 43.12 already forbids fraudulent and intentionally false statements in records such as those made under sections 43.2 or 43.9.

This provision is modeled on similar provisions such as 14 C.F.R. 21.2, 43.12, 61.59, and 65.20. Accordingly, there is a well-established definition for the term “intentionally false statement”:

- (1) a false representation,
- (2) in reference to a material fact, and
- (3) made with knowledge of its falsity.

A “fraudulent statement” consists of the three elements above, plus:

- (4) it was made with intent to deceive, and

- (5) action was taken by the victim of the fraud in reliance on the representation (e.g. a purchase of the part)

The proposed fraud element of the rule applies much more broadly than these other existing provisions, because it would not be limited to records “required to be kept, made, or used” for regulatory compliance or other purposes, but rather it would apply to “all records regarding type-certificated products, and to parts and materials that may be used on type-certificated products.” In this way, it would be coextensive with fraud as fraud is enforced in the states.

*Misleading statements*

The provision governing misleading statements would require any person who expressly or impliedly represents that a type certificated product is airworthy, or that a part or material is acceptable for installation on a type certificated product, unless that person can show with appropriate records that certain related facts are true. This provision is designed to cover representations that may be literally true (such as an advertisement stating that a part “fits” a particular aircraft), but may mislead the buyer into believing that the part is approved by the FAA or is otherwise acceptable. It is also intended to prevent persons from stating or implying that a part is acceptable when that person does not know whether it is acceptable. An example would be where an individual acquires surplus military parts that lack sufficient documentation to establish their acceptability for installation on a type certificated product, yet advertises them as acceptable parts.

This provision is based on Federal

*(Continued on page 43)*

## Some Beneficial Features to the FAA’s Proposed Fraud Rule

Eases the FAA’s burden in investigating potential fraudulent or misleading conduct by permitting warrantless inspections of records and parts in non-certificated facilities.

Provides FAA mechanisms for punishing false statements, in addition to existing criminal, civil and administrative remedies for these transgressions.

Permits the FAA to police advertisements for parts.

Permits the FAA to require that those who *imply* that a part is airworthy (e.g. by using terms like “airworthy,” “serviceable,” “overhauled,” “new,” or “rebuilt”) must have positive traceability to a production approval holder.

Requires a means of positively identifying production under a production approval (not just airworthiness), which has been a desire of some persons.

Permits the FAA to require those who sell standard parts to assure that the parts conform to the standard.

Permits the FAA to penalize those who are not using language that is sufficiently clear in their documentation.

## CONs

### Some Detrimental Features to the FAA's Proposed Fraud Rule

Permits the FAA to inspect parts and to inspect and copy records at will, without the formalities of a warrant or subpoena — vitiating the protections of the Fourth Amendment of the Constitution.

Adds yet another burden to an FAA hat has repeatedly complained that it does not have enough staff to accomplish the tasks already assigned to it.

Imposes a new legal burden on anyone who *implies* that a part is airworthy (e.g. by completing a SPEC 106 form or by relying on someone else's 8130-3 tag).

Requires those who *imply* that a part is airworthy to have traceability documentation that often does not exist in the industry.

Requires distributors to either prove that a part is airworthy, or else to *explicitly state* that the part is *not* airworthy.

Fails to provide the tools necessary for a distributor to make a finding of airworthiness.

Fails to define what the required finding of airworthiness entails (this term has never been defined in the regulations and distributors have not had to make this finding in the past).

## FAA Proposal: Details Raise Some Concerns

*(Continued from page 42)*

Trade Commission regulations governing deceptive advertising. The preamble to the proposed rule states that for the purposes of this rule, a misleading statement requires (1) a material representation or omission (2) that is likely to mislead the consumer (3) acting reasonably under the circumstances. This test is not in the proposed rule, though, there is nothing in the language of the proposed rule itself to lead anyone to this definition of misleading statement. In evaluating whether a statement is misleading, the FAA says that it plans to consider the overall impression created by the representation and the effect of the representation on a reasonable member of the targeted audience—again, there is no rule language that binds the FAA to this policy.

The FAA claims that acceptable records to show that a representation is true will include those described in the FAA's Advisory Circulars, AC 21-9, AC 20-62, and AC 00-56. Unfortunately, these policy circulars address the most common circumstances but they do not adequately address the rich variety of documentation that is sometimes found in our industry.

### *FAA Airworthiness Standards*

Another proposed provision would apply to records that make statements regarding FAA airworthiness standards. It provides that if a person expressly or by implication represents in any record that a product, part, or material meets FAA airworthiness standards, that person must ensure that either (1) the product, part, or material was produced under an FAA production approval (such as a production certificate, PMA, or TSOA), or (2) that the record clearly and expressly states that the part was not produced under an FAA production

approval. This is designed to ensure that parties who advertise parts as being of "aviation quality," "TSO'd," "FAA/PMA," or "STC'd" are able to substantiate their claims.

### *Inspections*

Finally, the proposed rule enhances the FAA's authority to conduct investigations by establishing a category of persons who expressly or by implication represents that a type certificated product is airworthy, or that a part of material is acceptable for installation on a type certificated product. This will, of course, include distributors, because of the implications associated with any part that does not bear explicit warnings concerning airworthiness. This new category of persons will be required to permit the FAA to inspect and copy their records relating to the source and acceptability of the aircraft products, parts, or materials which they buy and/or sell. The FAA is also reserving to itself in this rule the power to inspect the product, part, or material in question.

This provision permits the FAA to engage in warrantless searches of a type that would violate the U.S. Constitution under existing laws. Under the proposal, the FAA would not need probable cause nor a reasonable suspicion of illegal activity to begin a search of one's records and inventory.

### *Applicability to Standard Parts*

Records concerning standard parts — described in 14 C.F.R. 21.303(b)(4) as nuts, bolts, and other hardware conforming to established industry or U.S. specifications — would be subject to this proposed rule where the records express or imply that the standard parts are suitable for use on type certificated products, or where, under

*(Continued on page 44)*

## FAA Proposes Parts Fraud Rule

*(Continued from page 43)*

the circumstances of the sale, it was apparent that the parts were being sold for use on type certificated products. A record would also be subject to the rule if the record expresses or implies that a part conforms to a particular standard.

### *Applicability to Commercial Parts*

Commercial parts are not addressed in this proposed regulation. They will therefore be treated like any other parts. If this proposed rule becomes law as written, then distributors would be wise to explicitly state in traceability documentation that the commercial parts they sell if not approved by the FAA, and that determinations concerning airworthiness are to be made by the installer.

### *FAA Enforcement Options*

One of the primary purposes of the proposed rule is to enhance the FAA's ability to monitor compliance and bring enforcement actions concerning false and misleading statements. The FAA's enforcement options range from counseling and corrective action through civil penalties (\$1100 per infraction for most distributors) and the suspension or revocation of any certificates held by an offender. Any penalties issued by the FAA would be administrative in nature, which means that they would be in addition to any criminal penalties or civil liabilities.

On a first offense for misleading statements, for example, the FAA claims in the preamble to the proposed rule that it would seek to have the person take corrective action to avoid misleading consumers. Stronger actions would generally follow only if the person failed to take adequate corrective measures. Nevertheless, stronger measures could be

applied on even a first instance if the FAA found that the situation warranted such actions.

In more serious cases, such as where the evidence pointed to fraudulent or intentionally false statements, the FAA would be likely to take the strongest actions, such as suspending or revoking any certificates held by the offender using its statutory authority under 49 U.S.C. section 44709. Where necessary, the FAA would refer cases for criminal prosecution under one of the statutes described above. FAA referral is not necessary to prosecution, it just means that the matter is being brought to the explicit attention of law enforcement.

### *Conclusion*

The proposed part 3 greatly expands the FAA's regulatory reach over distributors. The misrepresentation elements of the rule could be subject to interpretation in the field, though, and could raise the standard for documentation to a level that requires professional assistance in developing documentation practices.

There are pros and cons to this proposed regulation. At its core, it gives the FAA the power to root out fraud and we all can agree that fraud is a bad thing. Whether the FAA has the right resources to pursue this is another matter, though. Ultimately, the final rule is likely to be a smaller rule that retains much of the meat of the proposal, but pares off just a few of the additional features that the FAA does not need (and that could be detrimental to the honest companies in the industry).



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## NEW APPOINTMENTS

### Engleman Named Chairperson of NTSB

Ellen G. Engleman was appointed Chairperson of the National Transportation Safety Board on March 24, 2003. Engleman joins the NTSB from the U.S. Department of Transportation's Research and Special Programs Administration, where she served as an Administrator since September 2001. Prior to her service there she was the CEO of Electricore, an Indiana non-profit organization performing research and development. She has been both the Director of Corporate and Government Affairs and a member of the Board of Directors of Direct Relief International, a medical relief agency. Chairman Engleman co-founded the Vitamin Angel Alliance, which concentrates on nutritional relief for women and children on an international scale. She has also served as a governmental affairs executive for GTE North, Inc., as well as a Congressional Fellow in the office of Senator Richard G. Lugar.

Engleman Graduated from Indiana University in 1983 with a B.A. in English and Communications. She continued her education at Indiana University School of Law, earning a J.D. in 1987 and being admitted to practice in Indiana and the Federal Court system. She then attended the

## MEMORIAL

### Aviation Regulation Pioneer Dies at 103

Lloyd Welch Pogue, a civil aviation pioneer who helped develop standards for international commercial flights, died Saturday, May 11 of renal failure at a Baltimore hospital. He was 103.

Pogue represented the United States at the International Civil Aviation Conference in 1944. That conference established English as the air traffic control language and set other rules for international flights. It was also important to the development of international aviation, because it ended a movement aimed at monopolizing international air travel with a single American airline (six months later,

Kennedy School of Government at Harvard University, graduating in 1993 with a Master's Degree in Public Administration. Holding APR accreditation from the Public Relations Society of America, Chairman Engleman was commissioned as an officer in the U.S. Naval Reserve in 1999.

Chairperson Engleman possesses nearly twenty years of experience in administration, public policy and governmental affairs. Her term as a member of the board will last five years, with her term as Chairperson expiring after two. ASA congratulates her on her appointment.

Pogue recommended to President Truman that TWA and American be permitted to engage in transatlantic flights, ending Pan Am's monopoly).

Pogue's fascination with the aviation industry in its early days had led him to apply for work with the Civil Aeronautics Board (CAB), which eventually merged with the Civil Aeronautics Administration (CAA) to form the Federal Aviation Administration. Within six months he was CAB's general counsel and he was later appointed CAB Chairman by President Roosevelt in 1942.

President Roosevelt trusted Pogue's opinion. When the CAA was experiencing leadership problems in 1944, the President turned to CA Chairman Pogue for advice on whether to replace the CAA Administrator (Pogue endorsed the move and the CAA Administrator was asked to resign).

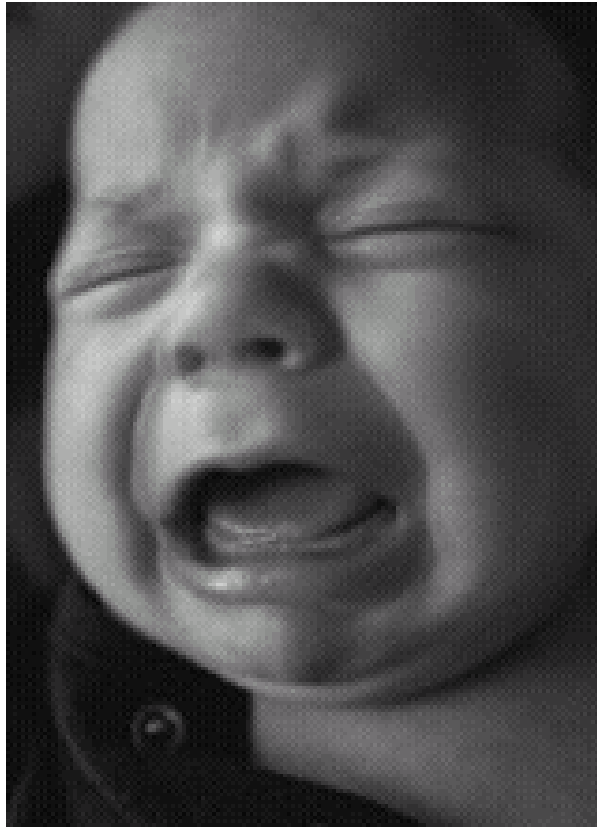
In 1946 Pogue left government and started his own law firm representing several major airlines.

In October 2001, Lloyd Welch Pogue accepted the Donald D. Engen Trophy for Aviation Excellence from the Aero Club of Washington—recognizing a lifetime of devotion to the industry.



The advertisement features a large speedometer graphic on the left side, with a needle pointing towards the 800 mark. The speedometer has markings from 100 to 800 and is labeled "RESPONSE SPEED" and "KTS". Text inside the speedometer reads "airframe, engine expendable, rotatable components". On the right side, the "AirLiance materials" logo is displayed, consisting of the word "AirLiance" in a bold, sans-serif font with a stylized swoosh underneath, and "materials" in a smaller font below it. The website address "www.airliance.com" is printed at the bottom right of the advertisement.

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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 about one month after they are published. Complete sets of volumes six through ten are now on-line!

## UPCOMING EVENTS

*\* = Look for ASA on the speaking program or on the Trade Floor*

2003

- June 21** \* ASA QA Committee Meeting, Ritz-Carlton, Naples, FL. Call (202) 347-6899 for details.  
**June 22-24** \* ASA 10th Anniversary Celebration and Annual Conference, Ritz-Carlton, Naples, FL. Call (202) 347-6899 for details. See Page 39-40 for more information  
**July 15-16** \* Hazardous Materials Cert. Course for Aviation Professionals, Dallas, TX. Call (202) 347-6899.  
**Sept. 22-24** Speednews Aviation Industry Suppliers Conf in Europe, Toulouse, France. Call (310) 203-9603.  
**Oct. 21** \* ASA Regulatory Workshop, Dallas, TX. Call (202) 347-6899 for details.  
**Oct. 23** \* ASA Regulatory Workshop, Chicago, IL. Call (202) 347-6899 for details.  
**Nov. 2-4** Speednews Reg'l & Corp. Aviation Industry Suppliers Conf., Rancho Mirage, CA. (310) 203-9603.  
**Nov. 11** \* ASA Regulatory Workshop, Seattle, WA. Call (202) 347-6899 for details.  
**Nov. 13** \* ASA Regulatory Workshop, Los Angeles, CA. Call (202) 347-6899 for details.  
**Nov. 20** \* ASA Regulatory Workshop, Miramar, FL. Call (202) 347-6899 for details.  
**Dec. 2** \* ASA Regulatory Workshop, NY/NJ/DE Area. Call (202) 347-6899 for details.

2003 is ASA's 10<sup>th</sup> Anniversary. The Annual Conference will be held at the Ritz Carlton in Naples Florida. Hotel reservations are already being taken as (800) 241-3333 or contact the hotel directly at (239) 598-3300. Please be sure to identify yourself as an ASA participant to get the ASA discounted room rate of \$139 per night. Registration packages will be mailed in March.

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April 2003