



The Update Report

The Aviation Suppliers Association

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REGULATORY UPDATE

8130-3 Tags

Many ASA members are having problems exporting aircraft parts to Europe and other countries because of some recent changes in export airworthiness approval policy. This article explains what some of the problems are; what sort of solutions are available right now; and what ASA is doing to resolve the problems.

Summary of the Problem

The FAA has promised our foreign business partners that exported aircraft parts from the United States will be accompanied by 8130-3 tags. These promises have been issued in the form of in Bilateral Airworthiness Agreements between the United States and foreign governments. These agreements are not treaties – they are executive agreements between the airworthiness authorities, made enforceable by the regulations in subparts L (export) and N (import) of 14 C.F.R. Part 21.

Based on these FAA promises, many of our foreign business partners will not do business with us unless we provide that document. Unfortunately, the regulations do not permit an exporter, other than the PC holder, to apply for an export airworthiness (8130-3) tag for a class III part, which represents the vast majority of aircraft parts.

Until recently, distributor exporters were able to obtain a domestic 8130-3 tag that was acceptable to most foreign customers in lieu of the export airwor-

thiness approval. Although some nations raised occasional exceptions, most nations accepted the domestic 8130-3 tag because the basic information it conveyed concerning U.S. airworthiness also applied to the other nation's concept of airworthiness (you don't see too many 'special import conditions' applied to class III parts). More importantly, in the absence of special import conditions applicable to the class III part, the real information conveyed by the domestic 8130-3 tag was identical to that conveyed by an export 8130-3 tag for a class III part.

FAA Order 8130.21C Change 2 added the requirement that domestic 8130-3 tags that are issued by DARs for parts in an FAA AC 00-56A Accredited distributor's inventory must bear the text "for domestic shipment only." This additional text is placed in the Remarks section of block 13, and it has made such 8130-3 tags unacceptable to some foreign business partners.

In summary, the FAA has established agreements with foreign governments that require the 8130-3 tag as a condition of import airworthiness acceptance by the foreign government. The FAA has failed to establish mechanisms that permit all American businesses—particularly distributors—to obtain the 8130-3 documents that are now required for export. As an industry, we all share a need to correct this failure.

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Congratulations to the following companies:

Jetpower Support, Inc.
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Triumph Aftermarket Services Division
Phoenix, AZ

For their accreditation, and

Hansair Logistics
Lake Forest, CA

Kraake & Associates, Inc.
Westlake Village, CA

Mayday Aviation, Inc.
Arlington, TX

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

Have you signed up for an ASA workshop yet? There are just a few slots left for the 2003 ASA regulatory workshops, in which ASA's General Counsel discusses the latest trends and changes that will affect ASA members. He also answers your questions at these live sessions, so make sure you take advantage when he comes to your town!

This month's issue is a double issue. There was simply too much information to convey for us to merely put out a regular 12-page issue this month.

The industry continues its slow climb toward recovery; we are hearing more and more success stories from companies that have developed niches. One niche that is doing quite well is government and military sales, so this month we feature an article on the new policies from the U.S. General Services Administration on procurement of Flight Safety Critical Aircraft Parts.

Have you ever gotten an inventory of parts that included owner-operator-produced parts or parts fabricated in the course of maintenance? Are you perplexed about what to do with them? This month we describe the draft FAA fabrication policy which should, if implemented correctly, help distributors to more easily recognize such parts and also better identify their source.

Whether you rely on documentation, parts marking, or some other means of compliance, every distributor working with life-limited parts is affected by the relatively new life-limited parts rules. As we approach the two-year anniversary of the life-limited parts disposition regulations, the U.S. Office of Management and Budget is seeking our input on the burdens we are all experiencing in complying with the rules. This is a terrific opportunity to let the government know whether this rule is working for you or against you. We'd especially like you to let the Association

know your experiences with the safe disposition of life-limited parts, so we can judge the level and tone of response that the Association should make to this data inquiry.

Documentation remains an important issue for distributors. Our cover story explains what we're doing to resolve one set of 8130-3 problems, while an update from ASA's Jason Lewis in this issue explains how we are working with the rest of the industry to establish a foundation for electronic transfer of documentation.

A quick glance at the success of companies like ILS shows us that computers are an integral part of the modern distributors working tools. With the increasing reliance on computer systems, electronic systems, and the internet, ASA members are increasingly susceptible to computer viruses. This month we feature a brief look at strategies for preventing a computer viruses from impeding your next sale.

Best Regards

Michele Dickstein

Board of Directors:

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Roy Resto	414-875-1234
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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

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Officers:

Michele Dickstein	202-347-6899
President	
Karen Odegard	253-395-9535
Corporate Treasurer	
Jason Dickstein	202-347-6899
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OMB Seeks Your Input on Life Limited Parts Rule

Businesses and individuals who sell, remove, or install life-limited aircraft parts have an opportunity to provide feedback to the government on how the FAA's recent rule governing the safe disposition of life-limited parts has affected them. The Office of Management and Budget (OMB) is seeking the information as part of its watchdog role to ensure that federal agencies are not imposing excessive paperwork burdens on the public.

In January 2002, the FAA published a final rule titled "Safe Disposition of Life-Limited Aircraft Parts" in response to a Congressional mandate in the FAA's funding legislation from 2000. The rule directed that all persons who remove any life-limited aircraft part be required to have a method to prevent the installation of that part after it has reached its life limit. The aim was to reduce the risk of life-limited parts that had exceeded their life limits being installed on aircraft. The rule also required manufacturers of life-limited parts to provide, when requested, instructions on how to mark the parts to reflect their current status.

The rule established several acceptable methods for the safe disposition of life-limited parts short of destroying them. These methods include:

- establishing a record keeping system that substantiates the part number, serial number, and current life status of the part;
- segregating the part in a manner that precludes its installation on a type-certificated product, which also involves maintaining a record of the part number, serial number, and current life status of the part;
- marking the part itself, when practical, to indicate its life status; or
- attaching a tag indicating the part's life status.

Life status markings, whether in records, on tags, or on the part itself, would have to be updated each time the part is removed from service.

Keeping It Reasonable

The FAA, like any other federal regulatory agency, is required to comply with the Paperwork Reduction Act of 1995. The law sought to limit the federal gov-

ernment's ability to drown individuals and businesses in paperwork by placing controls on agencies' ability to request information from members of the public. Under the Act, "an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid Office of Management and Budget (OMB) control number."

The OMB uses these regulations to act as a watchdog over agency rulemakings. Regulatory agencies have to submit forms and proposed rules to the OMB for approval before they can be published. If OMB determines that a particular information collection measure creates a burden that is out of proportion to the public benefit, it can refuse to issue a control number, effectively blocking the publication of the form (and sometimes effectively negating a related rule).

The OMB exercises an ongoing oversight role as well. Regulatory agencies must periodically renew their authority to collect information. Before granting an extension of this authority, the OMB

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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

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Imminent Deadline For Developing Hazmat Security Plans

The Department of Transportation's Research and Special Programs Administration (RSPA) has devoted significant attention to the security of hazardous materials shipments in recent years, owing to an increased awareness of the vulnerability of such shipments for attack or misuse by terrorists. In March, the agency issued a final rule that added new training requirements to part 172 of the Hazardous Materials Regulation (HMR). The rule requires that hazmat employees receive security awareness training as part of their overall hazmat training programs. In addition, the rule adds a new subpart I to part 172 that requires certain shippers and carriers to develop written security plans that detail company hazmat security policies and procedures. Under 49 C.F.R. § 172.800(b), affected entities must complete and implement their security plans by September 25, 2003.

Who Must Have A Security Plan?

Not all entities that ship or transport hazmat are required to have a security plan. Security plans are only required for persons who offer or transport hazardous materials in quantities large enough that the shipment must be placarded under the HMR, or for persons who offer or transport select agents and toxins regulated by Centers for Disease Control in 42 C.F.R. part 73. While this does not affect the majority of ASA members, some members will qualify and should implement their plans without delay if they have not already done so.

Specifically, the new rule requires security plans for any person subject to the registration requirements of subpart G of part 107 of the HMR. Persons required to register under subpart G include persons who offer for transportation or transport: (1) A highway route-controlled quantity of a Class 7 (radioactive) material; (2) more than 25

kg (55 lbs) of a Division 1.1, 1.2, or 1.3 (explosive) material; (3) more than 1 L (1.06 qt) per package of a material poisonous by inhalation in Hazard Zone A; (4) a shipment in a bulk packaging with a capacity equal to or greater than 13,248 L (3,500 gal) for liquids or gases or greater than 13.24 cubic meters (468 cubic feet) for solids; (5) a shipment in a non-bulk packaging of 2,268 kg (5,000 pounds) gross weight or more of one class of hazardous materials for which placarding is required; and (6) any shipment that requires placarding under subpart F of part 172.

Plan Contents

RSPA has established basic requirements for the contents of security plans. The requirements permit shippers or carriers to develop a security plan that assesses the specific security risks of the materials to be transported and put into place measures that are commensurate with the assessed risks. If a shipper or carrier determines that the security risks of the materials it handles are relatively small, then its security plan may well be limited in scope and complexity. At a minimum, however, a security plan must include the following elements:

Personnel security. The plan must include measures to confirm information provided by job applicants hired for positions that involve access to and handling of the hazardous materials covered by the security plan. RSPA encourages employers to check former and current employers and personal references listed by applicants. The confirmation system must be consistent with applicable Federal and State laws and requirements concerning employment practices and individual privacy.

RSPA points out that employees can be a company's best assets in improving the security of hazmat operations. Under the new RSPA security require-

ments, employees must be familiar with the company's security plan and properly trained in its implementation. Training should include company security objectives, specific security procedures, employee responsibilities, and organizational security structure. In addition, RSPA encourages employers to involve their employees in the security program by encouraging them to report suspicious incidents or events, by implementing routine security inspections, and by convening regular employee/management meetings on security measures and awareness. Employers are encouraged to be mindful of communicating sensitive security-related information to their employees in a secure manner. Company web sites or email systems can be vulnerable to outside monitoring and scrutiny.

Unauthorized access. The plan should also include measures to address the assessed risk that unauthorized persons may gain access to the hazardous materials covered by the security plan. RSPA suggests a number of such measures, including:

- Install additional lights, alarm systems, or surveillance cameras.
- Restrict access to a single entry or gate.
- Place limits on visitor access, especially when the Homeland Security Alert System raises its threat level; require visitors to register and show photo identification, and have someone accompany visitors at all times.
- Require employees to display identification cards or badges.
- Conduct security spot checks of personnel and vehicles.
- Request a review of your facility and security program by local law enforcement and fire safety officials.
- Check the adequacy of locks and other protective equipment. Consider equipping access gates with timed closure devices.

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Parts Fabrication AC Available For Comment

Part 43 of the Federal Aviation Regulations permits repair stations, Part 121 and Part 135 air carriers, and other maintenance providers under certain circumstances to fabricate aircraft parts while performing maintenance and alterations, provided those parts are used or “consumed” in that operation. Parts fabrication of this nature has always been distinct under the regulations from serial part manufacturing, which is governed by Part 21. Many questions have arisen over the years concerning when the fashioning of a part constitutes fabrication under Part 43 and when it crosses the line to constitute manufacturing under Part 21, requiring some form of production approval. A new draft Advisory Circular (AC) provides guidance that allows certificate holders to fabricate parts in accordance with Part 43, and to do so with the same level of safety that applies under part 21.

The draft, provisionally titled *AC 43-FAB, Fabrication of Aircraft Parts by Maintenance Personnel*, was developed by the Aircraft Maintenance Division of the FAA Flight Standards Service (AIR-307), with the assistance of aviation attorneys Marshall Filler and Sarah MacLeod of the Aeronautical Repair Station Association. The FAA has posted the draft on its Opspecs.com web site on October 15th and is inviting public comment for 30 days. As Al Michaels, FAA National Resource Specialist for Helicopter Airworthiness and Aircraft Parts, explained, publication of the draft AC on Opspecs.com represents an initial “unofficial” comment period during which the public is encouraged to submit comments and suggestions on how to improve the document. These suggestions will be considered and possibly incorporated in the draft before it is published in the Federal Register for its “official” comment period. Michaels noted that this two-step method proved successful

during the development of the surplus military parts AC.

dance with its FIS, if applicable. In addition, persons who fabricate parts must ensure that the parts bear appro-

The draft AC can be found at
<http://www.opspecs.com/FAAInfo/Policy/AWDocuments/DraftAW>
 The file name in that directory is:
 _DraftAWDisc/0000000a.htm

Overview

AC 43-FAB sets forth basic criteria for ensuring that parts fabricated during maintenance or alterations comply with the requirements of Part 43. The chief requirement is that the fabricated part or product is airworthy, that is, that it conforms to its type design and is in a condition for safe operation. In order to ensure this result, a certificate holder under 14 CFR Parts 121, 135, or 145 that fabricates a part in the course of performing maintenance or alterations must possess (1) approved design data or acceptable data as appropriate for the category of the part being fabricated; and (2) a documented fabrication inspection system (FIS) that ensures that the fabricated parts conform to their approved design and are in condition for safe operation. Persons who fabricate parts under Parts 43 and 65 may do so if they possess approved or acceptable data and can demonstrate that they have the facilities, equipment and materials to produce the part in accordance with that data. Such persons need not have a written fabrication inspection system.

In order to fabricate parts, a certificate holder may use a design approved under 14 C.F.R. 21.305(d). Fabrication must be performed within the privileges and limitations of the FAA certificate holder’s ratings and in accor-

appropriate markings and must provide Instructions for Continued Airworthiness when necessary.

Categories of Parts

In specifying what sorts of data certificate holders need to substantiate conformance to type design, the AC divides parts into one of three categories depending on their effect on safety. The categories are borrowed from the Category Parts List found in Appendix 4 of FAA Order 8120.2, *Production Approval and Certificate Management Procedures*. The categories are:

Category 1: Failure of the fabricated part would prevent continued safe flight and landing; resulting consequences could reduce safety margins, degrade performance, or cause loss of capability to conduct certain flight operations.

Category 2: Failure of the fabricated part could prevent continued safe flight and landing; however, resulting consequences may reduce the capability of the aircraft or the ability of the crew to cope with adverse operating conditions or subsequent failures.

Category 3: Failure would

AC May Provide Clarity for Maintenance-Fabricated Parts

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have no effect on the continued safe flight and landing of the aircraft.

Criteria for Fabrication

The AC identifies a number of key criteria that must be met in order to fabricate parts under Sections 21.305(d) and 43.13(a)&(b). Certificate holders should ensure that written procedures addressing these criteria are contained in the certificate holder's General Maintenance Manual (GMM), General Procedures Manual (GPM), Inspection Procedures Manual (IPM), Repair Station Manual (RSM), or similar document. The criteria are:

Required data. The design data required varies according to the category of the part. For category 3 parts, it is sufficient to have data adequate to substantiate that the fabricated part as consumed in the repair or alteration returns the product to its original or properly altered condition, e.g. AC 43.13, Service Bulletins, Component Maintenance Manual (CMM), service history, or prior service experience, etc. in accordance with section 43.13(b). For category 1 and 2 parts, more extensive data is required, too include drawings and specifications necessary to show the configuration of the fabricated part; information on materials, dimensions, and processes necessary to define the structural strength of the fabricated part; inspection and test procedures; substantiating data (test reports, analysis, computations) necessary to show that the design data used to fabricate the part for a repair or alteration meets the applicable airworthiness standards.

Fabrication Inspection System (FIS). Parts must be fabricated in accordance with an acceptable quality system that meets the intent of 14 C.F.R. 21.303(h). Part 121, 135, and 145 cer-

tificate holders fabricating parts in any category must submit a statement certifying that the FIS has been established to the their local Flight Standards District Office (FSDO). The depth and detail of the fabrication inspection system depends on the complexity and category of the parts being fabricated. The AC lists a number of minimum elements that every FIS must contain, starting with a list of the parts fabricated (by nomenclature and part number), and including inspection procedures, the proper identification of materials and services involved, fabrication methods, technical standards applied, subcontractors, etc.

Part Marking. Fabricated parts must, whenever practical, bear permanent markings identifying the name, trademark, or symbol of the FAA certificate holder under whose control the fabrication occurred, as well as a unique part number that clearly distinguishes the fabricated part from the originally manufactured part. The new part marking controls would make be particularly useful to distributors, as it would allow them to better distinguish such fabricated parts. Identifying the source of these parts can also turn scrap parts into installable parts if there is sufficient engineering history to demonstrate that installation of the part would return the aircraft to a condition at least equal to original (or properly altered) condition.

Instructions for Continued Airworthiness (ICA). The certificate holder must evaluate the existing ICA to determine if it is sufficient to ensure the fabricated part continues to meet the airworthiness requirements. In cases where the ICA issued by the original part manufacturer are not adequate, the certificate holder fabricating the part must develop its own ICA in accordance with § 21.50(b). This should be accomplished to ensure continued air-

worthiness of the fabricated or affected part. In addition, a certificate holder that fabricates parts should develop, maintain, and keep current the inspection criteria essential to the continued airworthiness of that part. If the certificate holder must develop their own ICA's, this must be provided with the part and be made available to any other person requesting the ICA for maintaining those fabricated parts.

Multiple Part Fabrication Control.

A quantity of parts bearing the same part number may be fabricated at the same time provided that certificate holder will consume them in later repairs. Certificate holders should note, however, that fabricated parts may not be sold separately (i.e. outside the repair) unless the certificate holder has obtained a FAA Parts Manufacturer Approval (PMA) under 14 C.F.R. 21.303(a). Non-PMA holders should ensure that controls are in place to prevent sales of these fabricated parts unrelated to repair or alteration.

Recordkeeping. Finally, a system should be established for documenting fabricated parts to ensure the requirements of Part 43 and the FAA-accepted FIS are met.

Comments Requested

AC 43-FAB is the culmination of twelve years of effort at the FAA, and has undergone considerable changes over the years. The FAA urges all interested parties to come forward with any comments or suggestions as to how to improve the AC. The draft document will be available on Opsepcs.com through November 15, 2003, and should reappear in the Federal Register as a proposed AC following further internal FAA coordination. ASA encourages all interested parties to make themselves heard.

Battle Over FAA Reauthorization Continues

8130-3s

A bitter feud over a provision that would have allowed the FAA to privatize air traffic control activities at up to 69 additional VFR towers continues to delay the passage of the \$59 billion FAA reauthorization bill. The bill, dubbed "Flight 100 – Century of Aviation Reauthorization Act," establishes FAA funding for the next four years.

A great deal is riding on this bill. There are many provisions that would affect distributors. Congress is also waiting for passage of this bill before passing a Department of Transportation appropriation. Congress voted on October 30th to approve a continuing resolution that would keep the FAA operating for another month while the dispute is resolved.

The fight illustrates just how sensitive an issue air traffic control privatization has become. The dispute arose after a provision permitting a possible expansion of the FAA's Contract Tower Program was inserted into the conference version of the reauthorization bill after the bill had been approved by both houses of Congress. The original House and Senate versions of the bill both contained language that would have prohibited any further efforts to privatize air traffic control beyond the 219 Contract Tower Program towers currently in operation at small airports around the country.

The union representing FAA controllers, the National Air Traffic Controllers Association (NATCA), strenuously objected to the move, accusing the Administration of trying to advance a privatization agenda on the sly. NATCA has mounted a vigorous public relations campaign decrying attempts to "sell air traffic control to the lowest bidder." Congressional Democrats have taken up the cause as well, especially in the Senate.

Faced with mounting pressure, congressional Republicans agreed to send the bill back to the conference committee for further revisions. The revised version dropped the reference to expansion of the Contract Tower Program, but also dropped an earlier prohibition on the privatization of enroute air traffic control services. The revised bill included language that acknowledged an executive order signed by President Bush that declared that air traffic control was not an "inherently governmental function," reversing an earlier executive order issued by President Clinton, and leaving the door open for privatization efforts in the future.

The House approved the revised bill on October 30th by a narrow vote of 211-207, but Senate Democrats promise a tougher fight. Senator Frank Lautenberg (D-N.J.) pledged to defeat any bill without the original provision banning privatization.

Despite the delay and acrimony, the number of contentious issues continues to shrink, and it is likely that the bill will be approved by the Senate and sent to the President within the next few weeks, making further stopgap funding measures unnecessary. Passage of the bill will be good news for the entire industry, because despite some flaws – nobody ever gets everything they want out of legislation – the bill's advantages far outweigh its disadvantages. ASA has urged a quick resolution of the dispute.

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History

Export airworthiness certificates were originally conceived as a facilitating device for American commerce. In 1963, the FAA published a Notice of Proposed Rulemaking proposing an export airworthiness approval tag. In the original proposal that was published in the Federal Register, such certificates were available for class I or class II products, but not for class III products (most piece-parts fall into this category). The Federal Register publication anticipated that exporters could issue their own certified statement concerning airworthiness, and it promised to publish a sample self-certification statement in the future (the sample self-certification statement was never published).

In the final rule, manufacturers were permitted to obtain export airworthiness approvals for class III products. It appears that they were permitted this privilege because one manufacturer asked for the privilege during the comment period. No one else was permitted this privilege because no one else asked for it.

The role of export airworthiness certificates has changed over the last thirty years. Where these certificates were once facilitators of commerce, they have become de facto requirements, and are sometimes de jure requirements under foreign laws.

One reason that they have become de facto requirements is because the FAA actively promotes the idea that one should not accept an aircraft part or an aircraft product without documentation. This fact has been confirmed to us when we have spoken with foreign airworthiness authorities and foreign operators.

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New Airframes on the Horizon

Boeing and Airbus, the leaders of the civil airframe production industry, have both been working on the development of their new commercial jets. Boeing's new airliner is the 7E7, or the Dreamliner, and Airbus' new project is the A380. Both jets feature higher fuel efficiency, lower emissions, and passenger-friendly designs.

The 7E7 and the 7E7 Stretch, Boeing's Dreamliners, are scheduled to begin assembly in 2005 and should be ready to enter into commercial service in 2008. Boeing reports that the jets will be as fuel-efficient as the 777 and the 747 and will reach the same speeds of the 777. The 7E7 will be able to travel 7,800 nautical miles and the 7E7 stretch will be able to travel as far as 8,300 nautical miles, increasing the amount of direct flights available over long distances. Boeing has said that



Boeing's 7E7 Dreamliner

the baseline 7E7 will include increased passenger comfort and a passenger capacity of 200 in a 3-class configuration. Boeing recently announced a third member of the 7E7 family that will be a shorter-range aircraft about the same size as the baseline 7E7 but configured in single-class seating to accommodate about 300 passengers. It also will feature changes in the wing and landing gear to optimize its mission. The anticipated range for the short-range 7E7 is 3,500 nautical miles.

The majority of the primary structures of the Dreamliner, including the wing and fuselage, will be made up of composite materials. After months of research, Boeing has chosen a combination of graphite and toughened epoxy resin as the main composite.

Structural health monitoring technologies will also be used on the 7E7, including sensors embedded in the structure to monitor structural integrity.

Boeing is working with General Electric, Pratt and Whitney, and Rolls Royce on engine development for the Dreamliner.

Airbus' double deck A380 will commence assembly early in 2004 and will be made commercially available in 2006. The aircraft will be able to travel 8,000 nautical miles and hold 555 passengers in 3 classes. The first technical manual for the A380 was released in 2002 and Airbus will continue to provide technical data on the aircraft until it is made commercially available.

The A380 will be made up of a variety of aerodynamic and damage resistant materials. Highly developed carbon composites and advanced metallic materials will make up 40% of the airliner. Airbus will also be using a material known as GLARE on its upper fuselage shell. This material consists of laminate with alternating layers of aluminum and glass-fiber reinforced adhesive. In addition to being fire, damage, and corrosion resistant, GLARE keeps cracks from increasing in size. Two years ago, the industry faced fears about crack propaga-

tion in composites – this was previously thought impossible – and as a consequence Airbus has announced special crack testing of its composites. An artificial crack that was made in the GLARE material, and then tested for thousands of flight cycles, scarcely showed an increase in size. The A380 can use either Rolls-Royce Trent 900 engines or GP7200 engines from the Engine Alliance (a joint venture of General Electric and Pratt and Whitney).

Both the 7E7 and the A380 represent innovations in commercial jets. With their plans for these new aircraft, Boeing and Airbus continue to provide the industry with constant improvements in safety and efficiency, continuously proving themselves as leaders in aircraft production. Distributors developing long-term strategic plans need to take these aircraft into account both as potential sources of business in eight to ten years, and as potential competitors to other older types (which could be retired) beginning in three to five years.



Airbus A380 in Qantas Colors; Qantas is the A380 launch customer

New Leadership at the SUPs Office

ASA is pleased to report that Beverly Jane Sharkey has accepted the position of the FAA's Manager of the Suspected Unapproved Parts Program Office.

Sharkey's FAA career began in 1990 as an attorney, working both in the Office of Aeronautical Center Counsel and the Flight Standards Service, Regulatory Support Division. Prior to joining the FAA, Ms. Sharkey worked as a Research Associate for an aviation consulting firm reconstructing aircraft accidents.

Beverly Sharkey is more than just a lawyer! Unlike many lawyers, Sharkey has a treasure trove of more traditional aviation industry credentials. Ms. Sharkey holds a commercial pilot certificate with multi-engine and instrument ratings. She also completed the Part 147 Aviation Maintenance Technician School for the mechanic certificate with airframe and powerplant ratings.

As a pilot and mechanic who also happens to have practiced law, Sharkey was more than qualified to be an Aviation Safety Inspector [ASI] – a position she has held while working at the FAA's Suspected Unapproved Parts Program Office.

As an attorney who has also worked as an ASI, Sharkey brings a unique perspective to the Manager position at the SUPs Office. She has read the law and she has seen how it is really interpreted in the field. She has worked on a variety of FAA investigations as well as on rulemaking projects. With this great breadth to her background, she is still able to find room in her view of the industry to recognize the important role that distributors play in the aviation field, and to express concern over their role in keeping aviation safe.

Sharkey takes over the Manager position from Ken Reilly. Reilly was instrumental in defining, clarifying, and disseminating the FAA's policies

concerning suspected unapproved parts and also in developing the FAA's SUPs office as an effective instrument for promoting safety. He has also been a long-time supporter of the programs at ASA, having been a frequent speaker at ASA events and a strong ally in making accreditation a valuable commodity for distributors. For his work in supporting the distribution community, Reilly was honored with ASA's Edward J. Glueckler award in 2001. Reilly recently transferred to a management position at the FAA Certificate Management Of-

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Beverly Sharkey, Manager, FAA Suspected Unapproved Parts Program Office

OMB Seeks Compliance Burden Information

(Continued from page 111)

solicits comments from the public concerning the burden and the effectiveness of the measure in question.

Comments Sought

The life-limited parts rule has just arrived at that juncture. The FAA published a notice in the Federal Register on November 5, 2003 asking the public to submit comments on the rule to the OMB. Comments are invited on: (1) Whether the proposed collection of information is necessary for the proper performance of the functions of the

FAA, including whether the information will have practical utility; (2) the accuracy of the FAA's estimates of the burden of the proposed information collection; (3) ways to enhance the quality, utility and clarity of the information to be collected; and (4) ways to minimize the burden of the collection of information on respondents, including the use of automated collection techniques or other forms of information technology.

With regard to the second point, the FAA, in the preamble to the final rule, offered estimates of the time and cost

burdens associated with the rule. The FAA estimated that some 5,000 entities would be affected, to include 4,489 certificated repair stations, 205 salvagers, an indeterminate number of fixed base operators that are not certificated repair stations, and an indeterminate number of self-employed certificated aviation mechanics will carry out the requirements of this rule. The FAA further estimated that each of 1,500 of the 5,000 entities noted above would perform 300 such procedures as an annual average, and that each of the remaining 3,500 would average 50 procedures

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Hazmat Training Regs Now Include Security

(Continued from page 113)

- Request that law enforcement personnel increase off-hour patrols.
- Upgrade security procedures for handling pick-ups and deliveries at your facilities. Verify all paperwork and require pick-ups and deliveries be handled only by appointment with known vendors. Require that vendors call before a delivery and provide the driver's name and vehicle number. Accept packages and deliveries only at the facility front gate.
- Secure hazardous materials in locked buildings or fenced areas. Have a sign-out system for keys.
- Periodically inventory the quantity of hazardous materials you have on site in order to recognize if a theft has occurred.

Report any suspicious incidents or individuals to your local Federal Bureau of Investigation (FBI) office and to local law enforcement officials.

En route security. Finally, the plan must include measures to address the assessed security risks of shipments of hazardous materials covered by the security plan en route from origin to destination. While carriers bear the primary responsibility for security while the goods are in transit, there are steps that shippers can take to ensure that risks are minimized. RSPA suggests the following:

- Use carrier safety ratings, assessments, safety surveys, or audits, and ask the carrier to provide information on security measures it has implemented.
- Verify the carrier has an appropriate employee hiring and review process, including background checks, and an ongoing security training program.
- Verify the identity of the carrier and/or driver prior to loading a hazardous material. Ask the driver for photo identification and a commercial drivers license for comparison

with information provided by the carrier.

- Ask the driver to tell you the name of the consignee and the destination for the material and confirm with your records before releasing shipments.
- Install tamper-proof seals on all valves and package or container openings.
- Implement a system for a customer to alert the shipper if a hazardous materials shipment is not received when expected.
- When products are delivered, check the carrier's identity with shipping documents provided by the shipper.

The security plan must be in writing and must be retained for as long as it remains in effect. Copies of the security plan, or portions thereof, must be available to the employees who are responsible for implementing it, consistent with personnel security clearance or background investigation restrictions and a demonstrated need to know. The security plan must be revised and updated as necessary to reflect changing circumstances. When the security plan is updated or revised, all copies of the plan must be maintained as of the date of the most recent revision.

Training Materials Now Available

Besides the requirement for developing security plans, the rule issued in March also mandates security awareness training for *all* hazmat employees, regardless of whether their employer is required to have a formal security plan as described above. New hazmat employees must receive the security awareness training within 90 days of starting work as part of their initial hazmat training. For existing hazmat employees, the training is to be included in the employees' next recurring hazmat training update, which is required every three years. The requirement became effective on March 25, 2003, so depending

upon when a particular hazmat employee had their most recent training, employers have until March 25, 2006 to ensure that all of their personnel have received security awareness training.

When the rule was published, RSPA pledged to make available a sample, one-hour Security Awareness Training Module that hazmat employers could use as a guide for developing their training programs. The training guidance is now available in both CD-ROM and CD-ROM download form at no charge in limited quantities. Orders for the CD-ROM may be placed online through RSPA's e-hazmat site at <http://diy.dot.gov/hazmat>. Orders can also be made by fax at (202) 366-7342 or by telephone at (800) 467-4922 X 3, or (202) 366-2301. Requests for the CD-ROM can also be mailed to US-DOT/RSPA/DHM-50, 400 Seventh St., SW, Washington, DC 20590. The CD-ROM download version of the training module, as well as links to security tests, risk management self-evaluation framework, and other hazmat security information, can be found at http://hazmat.dot.gov/hmt_security.htm.

Another Shameless Plug

Of course, another way to ensure that your hazmat employees receive the proper security awareness training is to enroll them in one of ASA's hazmat training seminars. ASA's instructors offer up-to-the-minute training on all the latest developments in hazmat regulations. ASA is making up its 2004 hazmat training schedule: call Jeanne Pearsall at (202) 347-6899 for more details.

Hazmat Regs Clarify Definitions of Storage and Loading Activities

A new rule published by the DOT's Research and Special Programs Administration (RSPA) clarifies how the Hazardous Materials Regulations (HMR) apply to the loading, unloading, and storage of hazardous materials in transportation. The rule also clarifies which activities are subject to the HMR and which are not, and identifies activities over which the Occupational Safety and Health Administration (OSHA) and/or the Environmental Protection Agency (EPA) may have jurisdiction as well.

In the rule, RSPA provides regulatory definitions for several terms that until now have been informally defined through a variety of sources such as informal letters of interpretation, formal interpretations published in the Federal Register, inconsistency rulings, and preemption determinations. The creation of formal definitions helps ensure that all parties have a common understanding of how the HMR apply to hazmat-related activities and provide additional clarity in enforcement actions.

Here are some of the key definitions:

Pre-transportation function is a new term that means a function performed by any person that is required to assure the safe transportation of a hazardous material in commerce. It encompasses all of the activities necessary to prepare hazmats for shipment, such as determining a material's hazard class, selecting a packaging, marking and labeling a package, preparing shipping papers and emergency response information, and selecting and affixing placards. In addition, when performed by shipper personnel, the loading of packaged or containerized hazardous material onto a transport vehicle, aircraft, or vessel and filling a bulk packaging with hazardous material in the absence of a carrier for the purpose of transporting it is also a

pre-transportation function. Pre-transportation functions must be performed in accordance with requirements in the HMR. For example, anyone performing a pre-transportation function must be trained in accordance with the standards found in the HMR.

Transportation means the movement of property and loading, unloading, or storage incidental to the movement.

Transportation in commerce begins when a carrier takes physical possession of a hazardous material for the purpose of transporting it and continues until delivery of the package to its consignee or destination as evidenced by the shipping documentation under which the hazardous material is moving, such as shipping papers, bills of

loading, freight orders, or similar documentation.

Movement means the physical transfer of a hazardous material from one geographic location to another by rail car, aircraft, motor vehicle, or vessel.

Loading incidental to movement means the loading by carrier personnel or in the presence of carrier personnel of packaged or containerized hazardous material onto a transport vehicle, aircraft, or vessel for the purpose of transporting it. For a bulk packaging, "loading incidental to movement" means the filling of the packaging with a hazardous material by carrier personnel or in the presence of carrier personnel for the purpose of transporting it.

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Chemical oxygen generators, like the one in the photo, are still one of the primary concerns of the hazmat enforcement community. Chemical oxygen generators can be found in personal breathing equipment (e.g. smoke hoods), overhead compartment assemblies and even in some seat backs (as an emergency oxygen source). Transportation is regulated whether they are charged or discharged.

Pre-Transportation Functions are Regulated, Too

(Continued from page 120)

Loading incidental to movement is regulated under the HMR. Note, however, that OSHA shares jurisdiction for certain aspects of the loading operation.

Similarly, **unloading incidental to movement** means the removal of a packaged or containerized hazardous material from a transport vehicle, aircraft, or vessel or the emptying of a hazardous material from a bulk packaging after a hazardous material has been delivered to a consignee and prior to the delivering carrier's departure from the consignee facility or premises. Unloading incidental to movement is subject to regulation under the HMR. Note, however, that OSHA shares jurisdiction for certain aspects of the unloading operation. Unloading by a consignee after the delivering carrier has departed the facility is not unloading incidental to movement and not regulated under the HMR.

Storage incidental to movement means storage by any person of a transport vehicle, freight container, or package containing a hazardous material between the time that a carrier takes physical possession of the hazardous material for the purpose of transporting it until the package containing the hazardous material is physically delivered to the destination indicated on a shipping document. Storage at a shipper facility prior to a carrier exercising control over or taking possession of the hazardous material or storage at a consignee facility after a carrier has delivered the hazardous material is not storage incidental to movement and is not regulated under the HMR.

Further Clarifications

In addition to the new definitions, RSPA is providing further explanations as to when the HMR apply and when they do not. RSPA is amending 49

C.F.R. § 171.1 to list regulated and non-regulated functions. Regulated functions include: (1) Activities related to the design, manufacture, and qualification of packaging represented as qualified for use in the transportation of hazardous materials; (2) pre-transportation functions; and (3) transportation functions (movement of a hazardous material and loading, unloading, and storage incidental to the movement). Non-regulated functions include: (1) Rail and motor vehicle movements of a hazardous material solely within a contiguous facility where public access is restricted; (2) transportation of a hazardous material in a transport vehicle or conveyance operated by a Federal, state, or local government employee solely for government purposes; (3) transportation of a hazardous material by an individual for non-commercial purposes in a private motor vehicle; and (4) any matter subject to U.S. postal laws and regulations.

The Role of Other Agencies

The activities covered by the HMR do not occur in a legal vacuum. Businesses today are subject to a wide range of federal, state, and local regulations that often overlap. Focusing on compliance with one set of regulations should never be allowed to let a business lose sight of other rules that may apply to their activities. With this in mind, RSPA is amending Sec. 171.1 of the HMR to indicate that facilities at which functions are performed in accordance with the HMR may be subject to applicable standards and regulations of other Federal agencies or to applica-

ble state or local government laws and regulations (except to the extent that such non-Federal requirements may be preempted under Federal hazmat law).

Federal hazmat law does not preempt other Federal statutes nor does it preempt regulations issued by other Federal agencies to implement statutorily authorized programs. RSPA's new rule is intended only to clarify the applicability of the HMR to specific functions and activities. The agency makes no attempt to clarify the applicability of other Federal agencies' statutes or regulations to particular functions or activities.

Nevertheless, RSPA seeks to remind the public that facilities at which pre-transportation or transportation functions are performed must comply with OSHA and state or local regulations applicable to physical structures – for example, noise and air quality control standards, emergency preparedness, fire codes, and local zoning requirements. Facilities may also have to comply with applicable state and local regulations for hazardous materials handling and storage operations.

Facilities at which pre-transportation or transportation functions are performed may also be subject to EPA and other OSHA regulations. For example, facilities may be subject to EPA's risk management; community right-to-know; hazardous waste tracking and disposal; and spill prevention, control and countermeasure requirements, and OSHA's process safety management and emergency preparedness requirements.

The Details

The new rule will be effective October 1, 2004. The text can be found on RSPA's web site at <http://hazmat.dot.gov/rulemake.htm#final>.

GSA Modifies Rules For Federal Purchases Of Surplus FSCAP

Some ASA members deal in military surplus aircraft parts, which they sell to customers both in the United States and, with appropriate licenses, abroad. Distributors that acquire military surplus parts have a variety of resources available to them to help them deal with some of the unique issues that arise in introducing military parts into the civilian marketplace, one of the main ones being FAA Advisory Circular 20-142: "Eligibility and Evaluation of U.S. Military Surplus Flight Safety Critical Aircraft Parts (FSCAP), Engines, and Propellers."

Not all such sales of military aircraft parts are made to private sector entities, however. Civilian agencies of the federal government also purchase these parts for use on their aircraft. The rules governing the acquisition and disposition of aircraft parts by federal agencies are established by the General Services Administration (GSA) in its Federal Management Regulation, found at title 41 of the Code of Federal Regulations.

Earlier this year, the GSA amended the rule governing the acquisition of Flight Safety Critical Aircraft Parts by federal agencies. The new rule sets forth the specific requirements federal agencies must follow when purchasing military FSCAP.

FSCAP Defined

The FAA defines a FSCAP as "any part, assembly, or installation containing a critical characteristic whose failure, malfunction or absence could cause a catastrophic failure resulting in loss or serious damage to the aircraft or an uncommanded engine shutdown resulting in an unsafe condition." There are two varieties of FSCAP: Dual Use and Military Unique parts. A Dual Use Product/Part is any product or part manufactured for civil application by Production Approval Holder (PAH)

authorized by the FAA that is also procured under a U. S. military contract. The product or part has the identical part number and configuration as its civil counterpart; it was manufactured using the same FAA-approved design, materials, and manufacturing processes. These could also include any product (or part thereof) originally produced for the military that currently holds a normal, utility, acrobatic, or transport type certificate (TC) issued under 14 C.F.R. section 21.27.

Military Unique FSCAP are FSCAP specifically and uniquely designed and manufactured for the U.S. military, for which there is no corresponding FAA-approved type design or PAH engine, propeller or part produced for civil application. "Breakout" products or parts, produced specifically for military use by a manufacturer other than an FAA PAH using military-provided designs/drawings and specifications, are also considered military unique.

New Federal Acquisition Requirements

Under the new rule (41 C.F.R. 102-33.115), federal agencies purchasing military FSCAP must:

(a) Accept a FSCAP only when it is documented or traceable to its original equipment manufacturer (a FSCAP's DOD FSCAP Criticality Code should be marked or tagged on the part or appear on its invoice/transfer document; see section 102-33.375 for further explanation of the FSCAP Criticality Codes); and

(b) Not install undocumented, but traceable FSCAP until you have the parts inspected and recertified by the original equipment manufacturer or FAA-approved production approval holder (see section 102-33.370 on FSCAP).

These requirements are in addition to the requirements that apply generally to the acquisition of any aircraft parts by federal agencies. The GSA requires federal agencies to acquire parts cost-effectively and acquire only what is needed; to inspect and test (as appropriate) all incoming parts and ensure that they are documented as safe for flight before installing them; to obtain all logbooks and maintenance records; and to report all Suspected Unapproved Parts (SUPs) to the FAA SUP Program Office.

Disposing of FSCAP and Life Limited Parts

The rules governing the manner in which federal agencies may dispose of FSCAP and life-limited parts are found in 41 C.F.R. 102-33-370. The rule can be summarized according to the table on the next page.

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New FAA Leadership

Sharkey

(Continued from page 118)

Sharkey is based in Phoenix, Arizona, where he oversees the FAA's interaction with American West Airlines.

Beverly Sharkey received her Bachelor of Science degree from Ohio State University, and her law degree from Capital University, Columbus, Ohio. She is admitted to practice law in the State of Ohio and before the United States Supreme Court. She is currently a member of the NTSB and American Bar Associations.

Flight Safety Critical Aircraft Parts Documentation Chart

(1) If an Uninstalled FSCAP (i.e., not installed in an aircraft or engine)--		
(i) Is documented--	Then...	<p>(A) You may exchange or sell it or transfer it to another executive agency under parts 102-36 and 102-39 of this subchapter B and the rules in this part;</p> <p>(B) GSA may donate it for flight use under part 102-37 of this subchapter B; or</p> <p>(C) GSA may donate it for ground use only, after you mutilate and mark it, "FSCAP--NOT AIRWORTHY" (the State Agency for Surplus Property must certify that the part has been mutilated and marked before donation).</p>
(ii) Is undocumented, but traceable to its original equipment manufacturer (OEM) or production approval holder (PAH)--	Then...	<p>(A) You may exchange or sell it only to the OEM or PAH under part 102-39 of this subchapter B;</p> <p>(B) GSA may transfer or donate it for flight use, but only by making it a condition of the transfer or donation agreement that the recipient will have the part inspected, repaired, and certified by the OEM or PAH before putting it into service (Note: Mark parts individually to ensure that the recipient is aware of the parts' service status); or</p> <p>(C) GSA may donate it for ground use only, after you mutilate and mark it, "FSCAP--NOT AIRWORTHY" (the State Agency for Surplus Property must certify that the part has been mutilated and marked before donation).</p>
(iii) Is undocumented and untraceable, you must mutilate it, and--	Then...	<p>(A) GSA may transfer or donate it for ground use only, after you mark it, "FSCAP--NOT AIRWORTHY" (the State Agency for Surplus Property must certify that the part has been mutilated and marked before donation); or</p> <p>(B) You may sell it only for scrap under sections 102-33.310 and 102-33.315.</p>
(2) If an uninstalled life-limited part (i.e., not installed in an aircraft or engine)--		
(i) Is documented with service life remaining-	Then...	<p>(A) You may exchange or sell it or transfer it to another executive agency under parts 102-36 and 102-39 of this subchapter B and the rules in this part;</p> <p>(B) GSA may donate it for flight use under part 102-37 of this subchapter B; or</p> <p>(C) GSA may donate it for ground use only, after you mutilate and mark it, "EXPIRED LIFE-LIMITED--NOT AIRWORTHY" (the State Agency for Surplus Property must certify that the part has been mutilated and marked before donation).</p>
(ii) Is documented with no service life remaining, or undocumented, GSA may not transfer it to another executive agency for flight use--	But...	<p>(A) GSA may transfer or donate it for ground use only, after you mutilate and mark it, "EXPIRED LIFE-LIMITED --NOT AIRWORTHY" (the State Agency for Surplus Property must certify that the part has been mutilated and marked before donation); or</p> <p>(B) You must mutilate it and may sell it only for scrap.</p>

Surplus FSCAP Rules from GSA

(Continued from page 122)

Disposing of installed life-limited parts occurs according to the following table:

(1) If a life-limited part is installed in an aircraft or an engine, and it--		
(i) Is documented with service life remaining--	Then...	<p>(A) You may exchange or sell the aircraft or engine, or GSA may transfer the aircraft or engine to another executive agency under parts 102-36 and 102-39 of this subchapter B and the rules in this part;</p> <p>(B) GSA may donate the aircraft or engine for flight use; or</p> <p>(C) GSA may donate the aircraft or engine for ground use only, after you remove the part, mutilate it and mark it, "EXPIRED LIFE-LIMITED--NOT AIRWORTHY." (Note: An internal engine part may be left installed, if, as a condition of the donation agreement, the receiving donee agrees to remove and mutilate the part, and mark it (the State Agency for Surplus Property must certify that the part has been mutilated and marked)).</p>
(ii) Is documented with no service life remaining, or undocumented--	Then...	<p>(A) You must remove and mutilate the part before you exchange or sell the aircraft or engine (see rules for disposing of uninstalled life-limited parts in Table 1 of paragraph (a) of this section). (Note: If an aircraft or engine is exchanged or sold to its OEM or PAH, you do not have to remove the expired life-limited part);</p> <p>(B) You must remove and mutilate it before GSA may transfer or donate the aircraft or engine for flight use (see the rules for disposing of uninstalled FSCAP in Table 1 in paragraph (a) of this section). (Note: An internal engine part may be left installed, if you identify the part individually to ensure that the receiving agency is aware of the part's service status and, as a condition of the transfer or donation agreement, the receiving agency agrees to remove and mutilate the part before the engine is put into service. You must certify mutilation for transfers, and the State Agency for Surplus Property must certify that the part has been mutilated for donations); or</p> <p>(C) GSA may donate the aircraft or engine for ground use only, after you remove the part, mutilate and mark it "EXPIRED LIFE-LIMITED--NOT AIRWORTHY." (Note: An internal engine part may be left installed, if, as a condition of the donation agreement, the receiving agency agrees to remove and mutilate the part and mark it (the State Agency for Surplus Property must certify that the part has been mutilated and marked)).</p>

Familiarity with the regulations governing federal agencies' acquisition and disposition of aircraft parts makes it easier for distributors to know which parts have sufficient documentation or other indicia of traceability to be eligible for sale to federal agencies.

Further information can be found on the web site of the Defense Logistics Agency at <http://www.dscr.dla.mil/fscap2/Lay-Out.html>.

RVSM Coming To Skies in the United States

The continuing evolution of the National Airspace System marked an important milestone on October 27, 2003, when the FAA published its final rule authorizing the adoption of Reduced Vertical Separation Minimum, or RVSM, in U.S. airspace. The effective date of the new procedures will be January 20, 2005.

RVSM allows aircraft operating between flight levels 290 and 410 (29,000 to 41,000 feet above sea level) to maintain 1,000 feet of vertical separation from other traffic, instead of the 2,000-foot minimum allowed under existing rules. Operators now have six additional flight levels available, allowing greater flexibility in flight planning and easing congestion over existing airways. Operators will have more options for flying at the most fuel-efficient altitudes, a development that the FAA estimates will result in collective fuel savings of over \$4.8 billion dollars over the next ten years.

The key to RVSM is advanced avionics that can maintain altitude within close tolerances. Approximately 30 percent of the turbojet aircraft in the United States are already equipped with the necessary systems, including aircraft currently flying international RVSM routes. Approximately 44 percent of business jets are currently RVSM compliant as well. Almost all new airliners and business jets currently coming off the assembly line are equipped for RVSM operations. Nevertheless, there are still thousands of aircraft that will need to receive avionics upgrades in order to operate in RVSM airspace.

RVSM is a proven technology, having already been implemented successfully in Europe, northern Canada, Australia, and Southeast Asia, and on routes across the Atlantic and Pacific. The effective date of the rule is timed to coincide with RVSM implementation

in the rest of Canada and most of the Caribbean and South America. The implementation of RVSM in the United States brings domestic enroute air traffic management procedures into line with procedures already in place in most of the world's most heavily traveled routes, creating a seamless RVSM environment over much of the globe.

Costs and Benefits

The FAA believes that the benefits of RVSM in the United States will significantly outweigh the associated costs. The economic benefits are expected to total \$5.3 billion between 2005 and 2016, with the largest portion of that amount coming in the form of fuel savings. The FAA estimates that reductions in airborne and ground delays will result in savings of \$461 million. Eurocontrol, the organization that coordinates air traffic management in Europe, reports a 40% decrease in enroute flight delays since the introduction of RVSM in Europe. Other anticipated benefits include shorter average flight times, increased access to flight levels, reduced negative impacts from weather, increased flexibility for air traffic controllers, and enhanced airspace capacity. Eurocontrol has also reported a one to two percent reduction in airborne pollution emissions.

The FAA estimates the costs associated with domestic RVSM to be \$869 million through 2016, with aircraft equipment upgrades accounting for \$529.5 million. The other costs include pilot and air traffic controller training, ATC system upgrades, monitoring of system performance, and aircraft downtime costs.

Operator Concerns

Despite the many benefits offered by RVSM, many operators are concerned that the cost/benefit trade-off is not always favorable in every specific case.

One of the chief concerns centers on the cost of the required equipment upgrades, which many smaller operators fear could prove prohibitive. The Aircraft Owners and Pilots Association (AOPA) has warned that for some older aircraft the cost of upgrades could exceed the value of the airframe. The potential burden is compounded in many cases by the costs of complying with other equipment mandates such as those for Traffic Avoidance Warning Systems (TAWS) and Enhanced Ground Proximity Warning Systems (EGPWS). For distributors, this could mean the loss of parts sales for some older aircraft models if those aircraft wind up being retired.

Another concern, even for those who can afford the new equipment, is that the huge anticipated demand for installation services will result in a backlog at avionics shops that will make it impossible for many operators to meet the rule's January 2005 implementation deadline. Several industry groups urged the FAA to phase in RVSM implementation over a longer period to allow smaller operators sufficient time to upgrade their equipment. The FAA projected, however, that in January of 2005, less than 10% of aircraft capable of operating in proposed RVSM airspace would not be equipped to do so. The agency ultimately was unwilling to delay implementation for such a relatively small number of affected parties.

The Greater Good

Despite genuine concerns over costs and timing, no major voices in the industry outright oppose RVSM. There is considerable agreement that implementation is an important contribution toward resolving the problem of airspace congestion, and one that offers real cost savings overall. Ultimately, anything that contributes to greater cost savings for operators will spur recovery in the industry as a whole – and that is good news for distributors as well.

Electronic 8130-3 Committee

An industry working group is forging ahead with plans to develop the framework for the use of electronic documentation for aircraft parts. Twenty individuals representing the interests of government, manufacturers, repair stations, air carriers, distributors and technology have been meeting to develop this framework. Currently the Air Transport Association (ATA) has been coordinating the meeting.

ASA's Jason Lewis has been faithfully attending these meetings, and files the following report:

History

In October 2001 the FAA and the Maintenance Manufacturing Repair Committee (MMRC) began discussions on how to develop an electronic Form 8130-3. In January 2002 a proposal was made to the Airworthiness Authorities regarding the electronic documentation project. Authorities were

very interested in the proposal. The proposal worked its way through several groups and finally became a working group "Electronic Documentation Task Force" being coordinated by ATA.

Project Mission and Scope

The Electronic Documentation Task Force mission is to develop an industry specification for standardized processes and associated technologies to enable electronic creation, transmittal, storage and retrieval of aircraft products, parts and appliances documentation.


Some of the key factors include changing from a document-centric approach to a data-centric approach; leveraging existing regulatory guidance and recommending changes where necessary; apply available technologies and best practices for digital security as applicable.

The initial scope of the project is data currently associated with FAA Form 8130-3, JAA Form One (EASA Form One) and TC 24-0078. The Task Force plans to define the following processes: business process modeling, data definition, regulatory requirements and security.

Benefits of Issuing Electronic Forms

Relief associated with lost forms for both the end user and issuing organization. It is also expected to reduce fraud and misuse by not being able to alter the information and stops proliferation and duplication of the information.

The Electronic Documentation Task Force's work is in the preliminary stages. They meet quarterly and hope to have a pilot program running in 2004. ASA is an active participant on the task force and will continue to keep the membership abreast of the progress.



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- Suspected Unapproved Parts
- Documentation
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- Protecting Your Transactions
- Traceability
- Parts Markings

Visit our website at: www.aviationsuppliers.org for updates on specific locations and registration details.

Export 8130-3 Tags

(Continued from page 116)

Export airworthiness certificates have also become de jure requirements under foreign laws. This is often because the United States and the foreign nation have entered into a bilateral agreement under which the United States pledges to provide airworthiness tags for parts bound for that foreign nation.

In practice, foreign business partners have usually been willing to accept any 8130-3 tag issued by the FAA (or its designees) as sufficient proof of airworthiness. This has included domestic 8130-3 tags. One reason for this is that foreign countries seldom (if ever) have unique special conditions that apply to a class III part.

The FAA published Notices 8130.70 and 8130.71 in order to permit DARs to issue 8130-3 tags for parts held by distributors. The result was that distributors were able to obtain the 8130-3 tags that the customers demanded. DARs were able to issue domestic 8130s and foreign users were able to accept them at will (as long as the part was demonstrably airworthy).

Neither 8130.70 nor 8130.71 required the limiting language “for domestic shipment only.” A requirement to add that language was added to the new language in 8130.21C Change 2 (appendix 3).

The new “for domestic shipment only” limitation has resulted an impediment to international commerce, because foreign customers who were willing to accept a general airworthiness tag are reluctant to accept a tag that is limited “for domestic shipment only.”

Furthermore, BASAs and FAA guidance now require language inconsistent with 8130.21C’s “for domestic shipment” only language, because they re-

quire particular language for certain export class III parts (e.g. language concerning criticality of PMA parts). No DAR is likely to complete an 8130-3 tag with export-specific language and then add the tag “for domestic shipment only.”

The Core of the Problem

There is still no way for a distributor who exports class III material from its own inventory to obtain a true export airworthiness approval directly from the FAA or from the FAA’s designees. The industry’s use of domestic 8130-3 tags to meet the demands of foreign customers for 8130-3 tags was merely a make-shift solution. The true solution to this issue is not to create another make-shift solution but rather to remedy the core issue.

Solutions

In short, the FAA has promised an export airworthiness approval document to our foreign business partners. Based on this promise, our foreign business partners will not do business with us unless we provide that document. The FAA has failed to establish mechanisms that permit American businesses to obtain that document. We need to correct this failure, and do it quickly.

In the preamble to the existing export airworthiness rules, the FAA predicted that class III airworthiness approvals would not be necessary; the United States has now promised to provide this tag in our BASAs and in doing so the FAA has therefore made it “necessary.” The impediment to commerce is based on the agreements between the FAA and foreign governments – it is appropriate for the FAA to participate in the solution.

The lack of class III part-specific special import conditions means that do-

mestic and export 8130-3 tags for class III parts generally convey the same information. With this in mind, ASA has been working with the FAA to eliminate the distinctions between export and domestic airworthiness approvals for class III parts. ASA has been working with the FAA to generate new regulations that would require production approval holders to issue 8130-3 tags for parts in an effort to start the paper-trail associated with parts. Most importantly, ASA has been working with the FAA to develop processes by which existing parts that are demonstrably airworthy may be documented as such using the 8130-3 tag, which is the preferred form of documentation for much of the industry.

ASA has made these recommendations formally and informally. ASA spent time with the FAA this summer in an effort to resolve the situation through policy, but it appears that regulatory change may be necessary.

In the coming weeks, ASA intends to file a petition for rulemaking that would amend section 21.323(a) of the Federal Aviation Regulations to permit issuance of export 8130-3 tags for class III parts that can be shown to have been (a) produced under a US production approval and (b) are currently in an airworthy condition. This would permit 8130-3 tags to be issued for airworthy parts pursuant to current standards. It is important to remember that under the current standards, 8130-3 tags are not issued for parts that cannot be demonstrated to be airworthy, nor are they issued for parts that cannot be demonstrated to have been produced under a US production approval. This allows the FAA to continue to maintain strict control over the parts it declares to be airworthy (all such parts are manufactured under FAA production approval and therefore required by law to be airworthy).

Protecting Your Business Against Computer Viruses

Anyone who has dealt with a computer or an entire network infected by a virus knows what a frustrating and time-consuming experience it can be to clean the affected system. For businesses afflicted by viruses, that means extra costs, both in lost time and in the direct costs of new software to deal with the problem. The total cost to the economy of computer viruses has been difficult to estimate – many businesses are loath to report problems – but by most estimates run into billions of dollars every year worldwide.

There are many different forms of electronic infection. The most common are:

Viruses. A virus is a small piece of software that piggybacks on real programs such as, for example, a word processing or a spreadsheet program. Each time the affected program runs, the virus runs, too, and has the chance to reproduce (by attaching to other programs) or wreak havoc. Some viruses have a built-in timer feature designed to trigger a particular action at a specific date and time on all infected computers. This “payload” may be as innocuous as a message displayed on the computer’s monitor, or something more malicious that actually corrupts or erases data.

E-mail viruses. An e-mail virus is transmitted in e-mail messages, often (though no longer exclusively) in executable attachments. They often replicate themselves by automatically mailing itself to people in the victim's e-mail address book. The “ILoveYou” and “SoBig” viruses were prominent examples, quickly spreading around the world.

Worms. A worm is a small piece of software that replicate itself us-

ing security vulnerabilities or “holes” in computer networks. A copy of the worm scans the network for another machine that has a specific security hole. It copies itself to the new machine using the security hole, and then starts replicating from there, as well. The spread can be extremely rapid – the recent MSBlaster worm propagated around the world within hours.

Trojan horses - A Trojan horse is a computer program that claims to do one thing (a game, for example) but instead does damage when it is run (such as erasing the computer’s hard disk). Trojan horses have no way to replicate automatically and typically do not spread far, particularly once word gets out.

Most viruses and worms exploit vulnerabilities in Microsoft software – Macintosh and Linux users typically experience far fewer problems. The problem is partly attributable to the number of security holes in the Windows operating system and applications such as Outlook, problems that have dogged Microsoft for years and forced the company to offer a seemingly unending series of software “patches” to correct the security vulnerabilities. A larger reason, however, is Microsoft’s dominant market share. The creators of viruses and worms, whether they are an expert “haxor” or a relatively unskilled “script kiddie,” generally aim to make the largest possible impact. Targeting the most widespread software systems is the best way to achieve this goal.

Steps Businesses Can Take

There are a number of precautions computer users can take to minimize their vulnerability to viruses. A fairly

modest investment in virus protection software and some common sense are generally sufficient to avert most virus problems.

Update, update, update. Virus protection software is only as good as its most recent update. New viruses appear all the time, so it is vitally important to ensure that virus protection is kept current. This applies not only to the virus protection software itself, but also to security patches for applications and operating systems. Many programs now feature automatic Internet updates. Antivirus subscriptions should be faithfully renewed, as well – the ongoing investment more than pays for itself. Care should also be taken to ensure that *all* computers, especially remote or mobile systems, are protected.

Avoid programs from unknown sources (like the Internet), and instead install only commercial software purchased on CDs. Traditional viruses have actually been on the wane in recent years owing to the transition from floppy disks to much more secure CDs as the most common means of passing on software. This caution applies in spades to executable program files that arrive as an attachment to an e-mail message. Users should never double-click on an attachment that contains an executable that arrives as an e-mail attachment. Attachments that come in as Word files (.DOC), spreadsheets (.XLS), images (.GIF and .JPG), etc., are data files that generally can do no damage. A file with an extension like EXE, COM or VBS is an executable, and an executable can do any sort of damage it wants. Once you run it, you have given it permission to do anything on your machine. The only defense is to never run executables that arrive via e-mail.

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Adequate Virus Protection Can Be Vital

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Firewalls. A firewall is a program or hardware device that filters the information coming through the Internet connection into a network or computer system. If an incoming packet of information is flagged by the filters, it is not allowed through. A large company, for example, may have hundreds of computers that all have network cards connecting them together. In addition, the company may have one or more connections to the Internet through something like high-speed T1 or T3 lines. Without a firewall in place, all of those hundreds of computers are directly accessible to anyone on the Internet. A person who knows what he or she is doing can probe those computers, try to make FTP or telnet connections to them, and so on. If one employee makes a mistake and leaves a security hole, hackers can get to the machine and exploit the hole.

With a firewall in place, the situation is much different. A company can place a firewall at every connection to the Internet (for example, at every T1 line coming into the company). The firewall can then implement security rules for FTP servers, Web servers, Telnet servers and so on. In addition, the company can control how employees connect to Web sites, whether files are allowed to leave the company over the network and so on. A firewall gives a company tremendous control over how people use the network.

Training. Even the best computer security measures can be undermined by employees who are careless or ignorant of procedures. Employers need to make sure that all their employees are aware of the company's computer security policies and other commonsense precautions.

Migration. Since most viruses target Microsoft programs, companies that

experience frequent or severe virus problems may consider switching to another operating system, such as Macintosh or Linux. These platforms tend to be more stable than Windows, and the security on applications tends to be better. Still, migration to another operating system can be a major undertaking and will not be right for every company. The cost of the operating system is only one of several cost factors. Companies must also reckon with initial deployment costs, training or hiring proper IT personnel, maintenance, and migration of applications. And it is important to remember that even migration will not totally insulate companies from the effects of major virus infections on the Internet. The SoBig virus, for example, resulted in large numbers of e-mail bounce backs and undeliverable returns even for non-Windows users.

Take Precautions and Move On

Viruses are likely to remain a fact of life for some time to come. The contest between those who produce viruses and those who try to identify and neutralize them is one of imagination, skill, tenacity, and speed. Anti-virus experts must often react within minutes when a new virus is detected in order to have any hope of forestalling a major, fast-spreading outbreak such as MSBlaster or SoBig. For the average computer user, the best line of defense will generally be an up-to-date antivirus program and common sense. These basic precautions, faithfully applied, will keep virus-related business losses to a minimum.

LLPs

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annually. Thus, the annual frequency of information requirements would be 625,000 procedures.

In the original notice of proposed rule-making (NPRM), each removal was estimated to require record keeping and reporting requirements of five minutes duration, at \$50 per hour. Thus for the NPRM, the total annual estimated burden of the regulation was about \$2,600,000, borne by a total of 5,000 respondents. In the final rule the FAA decreased this estimate "by an indeterminate amount" because affected parties could satisfy the requirements of the rule through means that did not involve significant record keeping. Because the FAA did not attempt to determine the preference ranking by affected parties of the options permitted under the rule, the agency had no basis by which to estimate the amount the choice of these options will decrease the NPRM estimate. Thus, the FAA stated that the NPRM estimate was to be considered to be a ceiling cost.

The net result was that the FAA determined there was "no more than a minimal paperwork burden on any respondent." OMB, on the other hand, estimated a total annual time burden of 104,000 hours.

Make Yourself Heard

Did the FAA get it right? Or is OMB's estimate nearer the mark? Send your comments to the Office of Information and Regulatory Affairs, Office of Management and Budget, 725 17th Street, NW., Washington, DC 20503, Attention FAA Desk Officer. ASA is also interested in hearing how this rule has affected its members. Please send a copy of any comments to ASA's General Counsel Jason Dickstein as well.

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2003

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2004

- Mar. 29-31** AEA Annual Convention, Paris Hotel, Las Vegas, NV. Visit www.aea.net for details.
- Mar. 4-7** ARSA Annual Repair Symposium, Ritz Carlton, Arlington, VA. Visit www.arsa.org for details.
- June 27-29** ASA Annual Conference, Ritz-Carlton Hotel, San Francisco, CA. Visit www.aviationsuppliers.org/training/Conference_04.htm for details
- Aug 21-24** ACPC, Marriott Marquis Hotel, New York, NY. Visit www.acpc.com for details.

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