



The Update Report

The Aviation Suppliers Association

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INTERNATIONAL UPDATE

Using JAA Form One to Document Parts

Do you have the documentation your customer will request on all of your inventory? It seems that more and more quality assurance time in distributors' facilities is spent trying to obtain documentation to meet a specific customer requirement, rather than a government regulation or standard. With the increasing globalization of the industry, the variety of documentation that we must obtain also increases.

In the August 2002 issue of the Update Report, ASA published an article entitled "Using the 8130-3 for New Parts From a 145." This article explained how a FAA certificated repair station may issue an 8130-3 tag to document the airworthiness of a new, unused part from its inventory. The key to such a process is having an effective quality system that can help assure the current airworthiness of the new part.

This represents one way, but not the only way, for distributors to obtain 8130-3 tags for parts in their inventories that are demonstrably airworthy, but that do not bear the 8130-3 tag that has become so important to so many of the customers.

As our industry becomes increasingly global, it becomes increasingly important for distributors to be able to obtain a variety of types of documentation to satisfy the demand of different custom-

ers. For example, it is only natural for European customers to prefer the JAA Form One.

The JAA has similar guidance to that of the United States for the issuance of a JAA Form One tag to document the airworthiness of new parts in the inventory of a repair station. While it is similar, there are a variety of important differences.

JAA Temporary Guidance Letter (TGL) 10 explains that any unused aircraft component that does not have JAA Form One (or equivalent) may be issued a JAA Form One or equivalent by a JAA listed JAR-145 maintenance organization. As with the FAA guidance, written procedures for carrying out the inspection are critical to the repair station's use of this function.

There are pros and cons to the JAA guidance. The JAA guidance recognizes the global nature of the industry by permitting repair stations to issue other equivalent forms (like the 8130-3 tag). It also allows repair stations to tag parts that are produced under a system acceptable to the JAA. This is an important departure from the comparable FAA guidance, which limits the authority only to parts produced under FAA production authority. It demonstrates JAA's willingness to trust its bilateral and multilateral agreements with other aviation authorities (under

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Congratulations to the newly accredited and re-accredited companies

A complete list of this month's honorees is included on page 121.

Keep watching the accreditation list at <http://www.aviationsuppliers.org> For an up-to-date list of the AC 00-56 accredited companies.



A Message from ASA's President

With the year coming to a close in a few weeks it is hard to predict what 2003 will hold financially for the members and the industry. Distributors have worked hard to build new business and support existing customers, but business is not anything like it was prior to 9/11/01.

The possibility that UAL may file bankruptcy and its impact on the repair stations and distributors is disturbing. What a relief that the union for the mechanics at United Airlines decided to approved the compensation concessions rather than holding out. I guess they realized less money is better than no job. While I recognize that I have oversimplified their negotiations, it is about time that they understand the dire situation that UAL and the industry is in. Even with the new union agreements, UAL still announced more lay offs.

It appears that the distributor side went into immediate cost cutting after 9/11. ASA conducted survey regarding the impact of 9/11. We used this information as justification to the SBA to approved low interest loans. Distributors have reduced staff and are operating lean companies. Most respondents reduced staff, limited capital expenditures, cancelled bonuses, and froze salaries, immediately after 9/11. These steps helped save many companies. While we are not out of the slow times yet, most people probably thought that we would see more bankruptcies among the distributors. There were several this year but not near the number anticipated.

When will the industry turn around? No one knows. Analysts' predictions continue to change and the affects of a possible war with Iraq modify all the forecast models. We do know that there is business; it just may be different than 18 months ago. Business is changing and so are the distributors. We do know that people want to fly. Yes, the air carriers are flying fewer planes but they are still flying.

The Association is concerned about the rise in insurance cost and lack of companies willing to quote aviation based companies. If you have insurance issues, we do maintain a contact list of brokers who specialize in aviation insurance.

Regards,

Michele Dickstein

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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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ASA Quality Committee Meets in Washington

The ASA Quality Assurance Committee met in Washington, DC in late October to meet with the FAA and to discuss the Committee's ongoing projects designed to improve quality in the aviation parts industry.

Joining the Committee at this meeting were FAA Maintenance Division Assistant Manager Carol Giles, FAA PMA Program Manager Bruce Kaplan, FAA National Resource Specialist Al Michaels, and DOT OIG Investigator Elise Woods. All of the special guests from the government gave presentations on the current status of projects within their special areas of expertise—an invaluable start to the proceedings. More importantly, the government representatives remained after their presentations to participate in discussions with the Committee and help provide guidance on some of the Committee's more difficult discussions and issues.

Preventing Fraud

The Committee discussed a variety of fraud-prevention-related issues. The FAA is still working on a fraud and misrepresentation regulation that may be out early next year. One member noted that the Association has sponsored workshops and conference break-out sessions addressing documentation and fraud prevention. He explained that he would like to see the Association sponsor more workshops on how to detect fraudulent and misrepresentative paperwork. Another member pointed out that some documentation that doesn't look right might cause a company to reject the documentation (and the part associated with it), but this is not necessarily fraud, and it will be important to distinguish misrepresentation from 'cause for rejection.'

Another member explained that using white-out to protect the identity of a source (so your customer does not bypass your company in the future) is common, but customers are starting to view this as an illegitimate practice. It was unknown whether this would be permitted under the FAA's anticipated fraud and misrepresentation rule.

SPEC 106

The discussion turned to SPEC 106 and improper completion of the form associated with the specification. It is becoming increasingly difficult to complete and rely on this form due to the increasing variety of completion practices in the industry.

Looking for the latest interpretations to ASA-100? Keep reading this article for more information on the QA Committee's ASA-100-related activities!!

The Association asked if having ATA do a SPEC 106 training class at the ASA Conference might be valuable? The general feeling was that yes, it would be valuable because it would give members a chance to provide ATA with feedback about the form; but there was also a feeling that the people in the industry who most need training in the ATA SPEC 106 would not be the ones attending. One of the most significant problems with SPEC 106 is that every customer requires their own specialized information, and there is very little standardization — this why many in the industry prefer the standardization offered by the FAA's 8130-3 tag.

8130-3 Tags

One member noted that there are about 5 or 6 criteria for issuance of an 8130 scattered throughout the regulations, and the member agreed to find these criteria and do a presentation on them at the next meeting.

Discussion also focused on dual-release 8130-3 tags signed by a repair station with a FAA certificate and a JAA acceptance certificate. The FAA has stated orally and in emails from FAA employees that dual-certificated repair stations performing work in accordance with both standards should check *both* applicable blocks on the revised 8130-3 tag. The FAA has not yet published official guidance on this point though so some field inspectors are still providing contrary advice. Because this seems to be an issue of significant confusion, the Association pledged to publish an article in 2003 to describe the preferred mechanism for documenting an approval for return to service under both JAA and FAA authority.

The Committee examined draft language concerning the issuance of 8130-3 tags for parts held at a distributor's facility. At present, Notice 8130.71 permits DARs to issue 813-3 tags but this guidance expires in June 2003. The FAA has pledged to make the guidance permanent but they have asked for suggestions on the language, because they have received complaints about the ambiguity of the language contained in Notice 8130.71. After significant redrafting, the committee was satisfied with the results. The results will be shared with the SUPs Industry task Group in order to confirm that the language is broadly acceptable to industry before

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Obtaining JAA Form One for New and Removed Parts

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whose authority such parts may have been produced).

The JAA guidance is limited to parts and products produced or maintained before certain effective dates.

For new parts, the TGL will remain effective until the effective date on which JAR-21 applies to the sort of component in question. JAR-21 currently does not apply to manufacture of component parts and attempts to develop a rule that will be comparable to the FAA's PMA rule have been slowed by the European efforts to implement a Pan-European aviation authority known as EASA.

The FAA guidance in FAA Order 8130.21(c) does not anticipate repair station documentation of used parts except when maintenance work is performed on them; the TGL lays out steps for inspecting a used parts to permit documentation of the used part with a JAA Form One; however, the TGL no longer provides for a privilege that is disharmonious with the comparable FAA guidance.

For used parts, the TGL applies to aircraft components — excluding used complete engines — in storage without a JAA Form One or equivalent up to January 1, 1997 that was maintained

prior to December 31 1994 by an organization acceptable to the JAA-NAA at the time. Because of the time limitations, the TGL really is not useful for used parts (except as a historical reference) so its use is limited for practical purposes to new, unused parts.

One of the ambiguities discussed in the August article was the fact that different FAA field offices insist on different language in block 12 of the 8130-3 tag — some wish to see the word “new” to describe the part, and others insist on the word “inspected, which describes the process of assuring the ‘newness’ of the part.

This ambiguity does not exist in the JAA world. The JAA insists that such new parts tagged with an 8130-3 tag be described as inspected in block 12, on the grounds that the repair station is inspecting the part to confirm its new condition. American distributors may disagree with the JAA decision to insist on the word “inspected, because any distributor knows that a part with the term “new” in block 12 is worth more than a part with the term “inspected” in block 12. Nonetheless, the JAA system has the benefit of uniformity.

JAA TGL 10 also permits a JAR 145 maintenance organization who removes a used but “serviceable” aircraft

component from an aircraft to issue a JAA Form One or equivalent to document the status of the part. This is a significant departure from FAA standards, which continue to frown on the use of the 8130-3 tag to document the mere removal of a part from an aircraft, because the mere fact that the part has successfully flown on an aircraft does not always mean that it can be removed and installed into another aircraft of the same type but in a different fleet (at least not without overhaul prior to reinstallation outside of the fleet of the original operator).

JAA TGL 10 provides ASA members with European customers/business partners with a number of ways to use repair stations to help document parts. Unlike United States guidance, all JAA Temporary Guidance Letters are copyrighted, and are sold to the public through agents, so they should be obtained from authorized sources (sorry, ASA does not have permission from JAA to distribute TGLs to the membership). The current state of flux in Europe, as the JAA is either supplemented or supplanted by EASA, makes it difficult to know how long JAA standards will continue to be recognized, but at least at the present time, it appears that JAA member nations continue to defer to JAA guidance in most cases.

New OSHA Recordkeeping Requirements

The Occupational Safety and Health Administration (OSHA) has established new standards for recording and reporting work-related hearing loss that will go into effect on January 1, 2003. These standards will affect ASA members with eleven or more employees.

Reporting requirements for musculoskeletal disorders (MSDs), on the other hand, have been delayed until 2004 as OSHA seeks additional public comment on a definition of musculoskeletal disorders for recordkeeping purposes.

OSHA's recordkeeping requirements, in place since 1971, were designed to help employers recognize workplace hazards and correct hazardous conditions by keeping track of work-related injuries and illnesses and their causes. Small businesses with ten or fewer employees are exempt from the recordkeeping requirements, as are certain categories of businesses considered to pose a low risk of job-related injury or illness (aviation businesses, unfortunately, are not among them).

On January 18, 2001, OSHA published a revision of the Occupational Injury and Illness Recording and Reporting Requirements found at Title 29, Code of Federal Regulations [C.F.R.], Part 1904. The January 2001 revision was intended to foster greater employee involvement in the program, improve protection of employees' privacy, create simpler forms, provide clearer regulatory requirements, and allow employers greater flexibility to use computers to meet OSHA regulatory requirements. The revision did not become effective until January 1, 2002, in order to give employers sufficient time to learn about their responsibilities under the new system. Implementation of two of the rule's more controversial provisions

was delayed even further. In July 2001, OSHA announced that it would delay the effective date of recordkeeping and reporting requirements for work-related hearing loss and MSDs until January 1, 2003.

Hearing Loss

Section 1904.10 of the January 2001 final recordkeeping rule required employers to record all cases in which an employee's hearing test (audiogram) revealed that a Standard Threshold Shift (STS) in hearing acuity had occurred. An STS was defined as "a

The recordkeeping rule does not require the employer to test employee's hearing; however, the occupational noise standard requires some employers to conduct periodic hearing tests.

change in hearing threshold, relative to the most recent audiogram for that employee, of an average of 10 decibels or more at 2000, 3000 and 4000 Hertz (Hz) in one or both ears."

The recordkeeping rule itself does not require the employer to test employee's hearing; however, OSHA's occupational noise standard (29 C.F.R. § 1910.95) requires employers in general industry to conduct periodic audiometric (hearing) testing of employees when employees' noise exposures are equal to, or exceed, an 8-hour time-weighted average of 85 decibels. Under the provisions of section 1910.95, if such testing reveals that an employee has sustained a hearing loss equal to an STS, the employer must take protective measures, including requiring the use of hearing

protectors, to prevent further hearing loss.

ASA members with repair stations or manufacturing facilities may have loud equipment that exceeds the threshold for testing. Other ASA members are located on or adjacent to loud sites, such as next to an airport. These ASA members should check whether the noise levels in their facility exceed the testing threshold, if they are not already performing periodic audiometric tests.

While there has always been a clear threshold for triggering employer protective measures like testing, the prior recordkeeping rule contained no specific threshold for recording hearing loss cases involving individual employees. In 1991, OSHA issued an enforcement policy on the criteria for recording hearing loss cases, to remain in effect until new criteria were established by rulemaking. The 1991 policy stated that OSHA would cite employers for failing to record work-related shifts in hearing of an average of 25 decibels or more at 2000, 3000 and 4000 Hz in either ear.

One of the major issues in the January 2001 revision to the recordkeeping rule was determining the level of occupational hearing loss that constitutes a health condition serious enough to warrant recording. This was necessary because the final rule no longer requires recording of minor or insignificant health conditions that do not result in one or more of the general recording criteria such as medical treatment, restricted work, or days away from work. In a 1996 Federal Register notice, OSHA proposed a requirement to record hearing loss averaging 15 decibels at 2000, 3000 and 4000 Hz in one or both ears. OSHA ultimately adopted a lower,

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WTO Confirms Record Trade Sanctions Against U.S.

The European Union has received a green light to impose punitive tariffs on a wide range of U.S. products, to include aircraft and aircraft parts, if the United States fails to eliminate certain tax benefits for exporters.

In late August, a panel of World Trade Organization [WTO] arbitrators approved a European Union request for authority to impose over \$4 billion in retaliatory trade sanctions against the United States. As many ASA members will recall, this confirmed an earlier WTO arbitrator's ruling. If implemented, these sanctions could have a devastating effect on ASA members' businesses.

European Union authorities have pledged to refrain from actually imposing sanctions on specific products

as long as the United States continues to make progress on measures designed to eliminate the illegal export subsidies for U.S. companies that are at the heart of the dispute.

The Background

The U.S.-EU dispute has continued in one form or another since the mid-1970s. At issue are tax breaks the United States instituted to benefit exporters. The U.S. tax code for many years allowed companies to establish so-called "foreign sales corporations" [FSCs] as a mechanism for shielding export income from U.S. taxes. European Union officials challenged that arrangement through the WTO, claiming that the tax breaks amounted to a subsidy for exporters, in violation of international trade law.

The EU prevailed in the case and several subsequent appeals, winning the right to impose retaliatory sanctions if the United States failed to comply with the WTO rulings and eliminate the illegal subsidies.

Congress attempted to resolve the issue in 2000 when it passed the FSC Repeal and Extraterritorial Income (ETI) Exclusion Act. The law abolished foreign sales corporations and set up a new system aimed at fostering the international competitiveness of U.S. businesses. EU authorities regarded this new system as a subsidy as well, and successfully challenged the ETI Act at the WTO. The United States exhausted its appeals earlier this year, clearing the way for the EU to impose sanctions.

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YOUR ASSOCIATION IN ACTION

ASA QA Committee

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submitting it to the FAA.

Training

Jason Lewis discussed some training subcommittee initiatives. As the Manager of the Accreditation program he's noticed that training is a huge issue. He would like to put together guidance on how to develop a training program and how to implement it.

One of the problems he has faced is the implementation of ASA-100. He would like to see standardization. He wants to avoid a templated manual because he feels that companies focus on what's in the template and not on what the business is really doing. Lewis extolled the virtues of consistency

in performing one's processes. He also explained that divergences need to be reported so that the accreditation program can maintain consistency.

Subject areas that members thought would be ripe for ASA training efforts included:

- gap analysis for companies without effective quality systems;
- using the ASA-100 checklist as a guidance document for quality;
- receiving inspection;
- visual inspection;
- more general training on the 8130-3, like the training offered in this year's workshop, including a block-by-block analysis of the 8130-3 tag;

ASA's Jason Lewis invited the Association members to submit training topics for consideration by the Association.

Incident/Accident-Related Parts

FAA National Resource Specialist Al Michaels explained that the FAA has insufficient incident/accident guidance. He invited the Committee to submit proposed guidance material to the FAA, although he could not guarantee that FAA would have the resources to be able to address it. Michaels noted that guidance should include specifications for how far to go in checking damage; e.g. beyond check the immediate point of damage, including check each part that could reasonably be affected by the point of

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Tracking DOT Regulatory Activities

The Department of Transportation has made it easier to track important regulatory developments that may affect the industry.

There are a wide variety of federal regulations that impact distributors. The FAA's regulations represent the foundation – regulations that affect manufacturers, repair stations or operators (including air carriers) can all have an indirect effect on a distributor's business. Employment regulations, OSHA regulations, tax regulations, and small business regulations are also particularly important to most distributors. Even with the assistance of an association like ASA, keeping track of the changes in the rules that affect your business can be a full-time job.

The U.S. Department of Transportation is making it easier for the public and businesses to track rulemakings and other regulatory developments. DOT now offers a report on its web site at <http://regs.dot.gov> that describes significant transportation rulemakings currently under development and those recently completed.

“This initiative supports the Bush administration's strategy for expanding electronic government and making it easier for citizens and businesses to interact with us,” Secretary Mineta explained in a recent DOT press release. “Federal regulations, especially those connected with transportation, are important. They affect all of us, so it is appropriate that people throughout the world have an opportunity to participate in their development. This web site will facilitate that opportunity.”

For each rulemaking, the report contains basic information, including a summary and the anticipated effects of the regulation. The report also in-

cludes a schedule, whenever one has been set for a particular rulemaking. The report, including the schedule, will be updated monthly, showing new projected dates when there are changes and dates for milestones that have been completed. These schedules begin with the date of submission to the Office of the Secretary of Transportation, and then follow the rulemaking through Office of Management and Budget review and subsequent publication in the Federal Register.

The Department will monitor its own progress in this regulatory report by using color codes to indicate whether rules are on or behind schedule. When there are delays, the report will include an explanation.

The public can use this report to identify USDOT rulemakings of special interest, and then sign up to automatically receive email notification whenever the Department places a substantive document, such as a notice of proposed rulemaking, in the public docket. Instructions for subscribing, free of charge, to this list serve are at <http://dms.dot.gov/>.

Much of what the FAA does is through advisory circulars, notices, and other similar documents and there is as yet no central internet tracking system for monitoring the status of new advisory guidance. Nonetheless, the regulatory tracking feature allows the public to track the “big-ticket” items that affect the industry.

ASA will continue to monitor important advisory guidance (as well as regulatory guidance), and keep members apprised of status.

WTO Sanctions

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European officials requested authority to impose up to \$4.043 billion in retaliatory sanctions. They based the amount on their estimate of the total cost to EU countries of the U.S. tax subsidies in terms of lost business. The United States disputed that amount, and according to an earlier U.S.-EU agreement, a panel of arbitrators was appointed to determine the proper level of sanctions. The United States estimated that sanctions should not exceed one billion dollars. The EU, in turn, argued that it was justified in asking for as much as \$13 billion. In the end, the arbitrators opted for the EU's original request.

Continued U.S. Efforts To Comply

The Bush Administration has made it clear that it intends to fully comply with the WTO rulings and do whatever is necessary to lay this issue to rest in a manner that still protects the international competitiveness of U.S. businesses.

Congress, too, is working on new tax legislation aimed at bringing U.S. law into compliance with WTO standards. The House Ways & Means Committee has held several rounds of hearings on this matter, and committee Chairman Bill Thomas (R-Cal.) has introduced a bill, the American Competitiveness and Corporate Accountability Act of 2002, that repeals the exclusion for extraterritorial income and the FSC transitional rules. Thomas has stated that he views the WTO ruling as a reminder that “fundamental problems in our tax code need to be addressed now.” He has called for a wide-ranging overhaul of U.S. tax laws.

U.S. Trade Representative Robert Zoellick recently testified before the Senate Finance Committee on the

Potential EU Sanctions Against Aircraft Parts

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FSC issue, along with Deputy Treasury Secretary Kenneth W. Dam. "One of the ironies of this case," said Zoellick, "is that when the dust has settled, we hope to find that the competitiveness of U.S. firms has been strengthened, rather than diminished."

The Outlook

Under WTO rules, the WTO Dispute Settlement Body must provide its formal approval before the EU can actually impose trade sanctions. However, there is no deadline by which the EU must submit such a request, and EU officials previously have indicated that they would refrain from imposing sanctions so long as the United States is making progress on eliminating the FSC subsidy. Ultimately, nobody on either side of the Atlantic wishes to see this dispute pushed to the point of actual sanctions.

There is no indication at this point as to which specific products might be targeted should sanctions be imposed. The EU identified a wide range of possible targets early on in the dispute. Aircraft and aircraft parts were on the list along with such diverse items as live animals, meat, various agricultural products, books, carpets, yarns made of horsehair, "miscellaneous articles of base metal," and even nuclear reactors. EU trade officials have adopted a policy of choosing products for sanctions with the aim of causing the greatest possible political discomfort for the Administration and the Congress. The policy is designed to maximize their political leverage by, for example, imposing sanctions on products produced in states where Republican candidates are facing difficult election campaigns. If EU officials judge that they can get spur the Congress or the Administration to action by imposing

sanctions on Boeing products, for example, sanctions on aircraft and related parts may become a reality. Still, there is ample scope for other choices to be made, and in the past, sanctions on agricultural goods have been more common overall.

This issue still threatens to be the most important import/export issue for ASA members, so ASA will keep its members informed of the progress on this issue, as new tax legislation makes its way through the Congress.



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World Jet Corporation
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OSHA Hearing Loss and MSD Rules

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10-decibel threshold in the January 2001 final rule, but indicated a willingness to reconsider that decision when it announced the delay in the rule's effective date later that year.

OSHA received numerous comments on the 10-decibel threshold. Although some commenters, such as labor organizations, supported the lower threshold as a means to assist in the early detection of hearing loss, industry groups countered that the threshold was too low because it did not represent a significant hearing impairment. Industry groups favored a 25-decibel threshold, consistent with American Medical Association guidelines, existing standards for worker compensation claims, and the long-standing OSHA enforcement policy.

Accordingly, OSHA has established 25 decibels as the threshold for an occupational hearing loss subject to the recording and reporting requirements of 29 C.F.R. § 1904.10. The rule becomes effective January 1, 2003.

Even though the criteria for recording hearing loss cases have been established, the actual requirement to record such cases has been delayed. In a separate announcement, OSHA has delayed the effective date of the recordkeeping requirement set forth in 29 C.F.R. § 1904.10. The rule would oblige employers to check the "hearing loss" column on the OSHA 300 Log form for each case in which an employee's audiogram indicated that a Standard Threshold Shift has occurred. The information was to be collected so the Bureau of Labor Statistics could compile statistics on oc-

cupational hearing loss. OSHA is reconsidering the necessity of collecting this data using this particular column on the OSHA 300 Log. The effective date of section 1904.10 has been delayed until January 1, 2004 to allow OSHA to determine how best to collect statistical information and to take into account any other changes to the reporting forms that may arise as a result of the possible changes in MSD reporting requirements, as described below.

Musculoskeletal Disorders

Recordkeeping requirements for MSDs are closely related to the larger question of what constitutes a MSD. Last year Congress took the unprecedented step of rescinding the OSHA ergonomics rule. It took this step because of significant problems with the

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OSHA Ergonomics Rule

(Continued from page 122)

rule as it was drafted and published. That would have made it a significant impediment to doing business in the United States. Congress was alerted to the need for this unusual step partly because of lobbying efforts by a wide coalition of organizations including ASA. The business community was strongly opposed to the rule's definition of MSDs and the unreasonable regulatory burdens that would apply as a result.

Following Congressional rescission of the ergonomics rule, the Labor Department began to develop a new comprehensive ergonomics plan that

Ergonomics reporting requirements are delayed again and will not go into effect until January 1, 2004; however this does not change the requirement for ASA members to report workplace accidents and illnesses in accordance with the OSHA requirements

would enhance the safety needs of working people while without imposing an unreasonable burden on businesses. The government pledged to take into account the views of business, labor, and the public health community.

Further information on the OSHA recording and reporting requirements can be found on OSHA's web site at:

<http://www.osha-slc.gov/recordkeeping/index.html>.

The Department of Labor announced its plan in April of this year. The plan seeks to address ergonomic injuries through a combination of industry-targeted guidelines, enforcement measures, workplace outreach, research, and dedicated efforts to protect Hispanic and other immigrant workers. In its discussions with stakeholders, OSHA found that no single definition of "ergonomic injury" was appropriate in all contexts. Definitions of MSDs will thus be developed as part of the overall effort to develop industry- or task-specific guidance materials.

OSHA recognizes that it would be premature to implement recordkeeping requirements for MSDs until it can determine how MSD should be defined for recordkeeping purposes. OSHA has therefore delayed implementation of the recordkeeping requirements for MSDs (24 C.F.R. § 1904.12) by another year, until January 1, 2004, to allow sufficient time for additional public comments. OSHA is accepting written comments on the issue until August 30, 2002, but, as always, late comments may be considered as well.

Employers should note that this delay does not affect the reporting requirements for other types of injuries and illnesses that meet the criteria of sections 1904.4 through 1904.7. Employers must continue to record soft-tissue disorders as long as they are work-related, are new cases, and meet the general recording criteria that apply to all injuries and illnesses.



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FAA Registry Collects Lien Information; Seeks Our Input

If your business files security agreements or other liens as a strategy for protecting financial interests, the you're probably quite familiar with the paperwork associated with the filing. Could it be lessened? If you have a better way of doing things, then the FAA is ready to hear your ideas.

Federal agencies are limited by law in the amount of paperwork they can impose upon the public. This simple statement of fact is often a surprise to most businessmen. It is unfortunately, sometimes a surprise to government employees, too.

It is no surprise, though, to the FAA employees at the FAA's Registry Office. The FAA Registry office maintains files on US-registered aviation products. And they are seeking our input on how to make their information collection work better for YOU.

Paperwork Reduction Act

The Paperwork Reduction Act of 1995 requires agencies to justify to the Office of Management and Budget the necessity of any attempt to require members of the public to provide information. Only if the OMB approves of the information-collection activity, is the agency permitted to require the public to submit the information desired. When an information collection has obtained OMB approval, any forms created to collect that information will bear an OMB control number.

Members of the public are not required to respond in writing to a collection of information unless the form displays a valid OMB control number. Any time you are requested by the FAA or any other government agency to complete a form that does not have an OMB control number, completion

of the form is optional – it is not required.

OMB approvals of agency information collections must be renewed periodically. Before renewing authority for a particular collection, OMB requires agencies to solicit comments on the information collection. The comments are solicited in order to evaluate the necessity of the collection, the accuracy of the agency's estimate of the burden, the quality, utility, and clarity of the information to be collected, and possible ways to minimize the burden of the collection.

FAA is seeking public input on the collection of security agreement and other lien information - Security agreements are a useful way to protect your consigned and/or leased products!

Public Participation

The public often has the opportunity to comment on government information collections. One such collection that can affect ASA members concerns the recording of aircraft conveyances and security documents. The FAA is collecting information on this process right now.

Lien Recording

When a distributor retains a security interest over an aircraft, engine or propeller, it is generally filed with the FAA in order to 'perfect' the lien and make it apply to third parties who might later purchase the product. This filing, or 'perfection,' provides public notice of the security agreement.

Federal law requires the FAA to establish and maintain a system for recording security conveyances affecting title to, or interest in, U.S. civil aircraft, as well as certain specifically identified engines, propellers, or spare parts inventories, and for the recording of releases relating to those conveyances. The FAA maintains these records at the central Registry in Oklahoma City. Thus, if your business intends to buy an aircraft in order to part-it-out, you would first check the FAA Registry out of Oklahoma City to see if there are any liens against the aircraft.

In order to register a lien against an aircraft at the FAA Registry, one must complete a FAA form 8050-41. This is the form used to convey such information to the FAA Registry.

Your Comments Can Help

This form is now subject to its periodic approval. In addition to comments about the form itself, the FAA is also interested in public comments or suggestions about this collection of lien information in general: Is the FAA asking for too much information? Does the FAA make itself clear concerning what information it requires? Are there perhaps other ways the FAA could gather this information that would impose less of a burden on members of the public?

Interested parties have until December 16, 2002 to submit their comments or suggestions. Contact Ms. Judy Street at the FAA at (202) 267-9895 for further information.

HazMat Incident Reporting Form—Coming to the Internet Soon!

The Department of Transportation's Research and Special Programs Administration (RSPA) recently announced that it has contracted with a professional form development contractor to revise the DOT Form F 5800.1 hazardous materials incident report form, and produce a web-based version of the form that could be completed on-line.

On July 3, 2001, RSPA published a notice of proposed rulemaking (NPRM) proposing revisions to the incident reporting requirements of the Hazardous Materials Regulations and the hazardous materials incident report form. RSPA's intent was to improve the clarity of the form to make it more user-friendly and to allow for electronic scanning of the form.

The proposed revision to DOT Form F 5800.1 incorporated elements found in recent versions of the U.S. Census form and other government forms that are subjected to scanning for electronic data storage, retrieval and

analysis. RSPA received several comments concerning the layout of the form, which will be addressed in the final rule. The contractor will consider incorporating format recommendations from commenters into its suggested layouts. RSPA will review the suggestions submitted by the contractor in addition to comments received in response to the NPRM, during the development of the revised form that will be part of the final rule.

The final content (i.e., specific information which will be reported) of the form will be determined by RSPA. The contractor will use the content of the proposed form as published in the NPRM and will maintain the data elements as they appear in the proposed form, though the wording and order of the questions may vary.

RSPA seeks to compile an accurate database of incidents meeting the criteria specified in 49 C.F.R. Sec. 171.16. A form that can be completed easily and accurately will assist

in compiling accurate data and reduce the information collection burden on the regulated community.

The effort to develop a web-based DOT Form F 5800.1 is designed to help RSPA meet its obligations under the Government Paperwork Elimination Act to accept electronic documents for transactions conducted with the public and regulated communities. In addition to reducing paperwork and postage costs, the on-line version of the form will include logic patterns to minimize accidental errors and remove non-required questions, as the form will "respond" to the data entered into it. This will reduce the time required to complete the form.

Members of the regulated community may be contacted to participate in focus groups to test the proposed form and subsequent alternative layouts developed by the contractor. Work on the new forms is expected to be completed by December 31, 2002.

The July 3, 2001 HazMat Form NPRM can be found at:

http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=2001_register&docid=01-16661-filed

NTSB Expands Web Site Offerings

The National Transportation Safety Board has expanded its web site to include aviation accident synopses and data covering the years from 1962 to the present.

Previously, data issued prior to 1983 were not available on-line. The NTSB has now added over 90,000 additional data records from air carrier and general aviation accident investigations conducted from 1962 to 1982. These

include five years of investigations conducted by the Board's predecessor agency, the Civil Aeronautics Board, from 1962 to 1967.

Many ASA members use the NTSB records for purposes of determining whether a known N-numbered aircraft has suffered an incident or accident in the past that could have adversely affected the airworthiness of parts removed from that aircraft.

Although this sort of incident/accident research is not required by law, some distributors do provide this information to their customers. There are many potential legal problems and liabilities associated with this practice, but for companies that do this, the NTSB database can be useful.

Full query capability can be found on the NTSB web site at www.nts.gov, under "Aviation."

Shipping Paper Retention Requirements Refined

Minor amendments to the rules can mean big changes in practices. The latest changes to the hazmat shipping paper (documentation) requirements are designed to relieve some unintended burdens from industry.

The Department of Transportation's Research and Special Programs Administration (RSPA) has published some minor amendments to a final rule it published on July 12, 2002 concerning hazardous materials shipping papers. The July 12th rule amended the Hazardous Materials Regulations (HMR), found at Title 49 C.F.R. sections 171-180, to require shippers and carriers to retain a copy of each hazardous material shipping paper, or an electronic image thereof, for a period of 375 days after the date the hazardous material is accepted by a carrier. For a hazardous waste, the shipping paper copy must be retained for three years after the material is accepted by the initial carrier.

The rule incorporates into the HMR requirements found in the Federal hazardous material transportation statutes that require that, after a hazardous material "is no longer in transportation," each offeror and carrier of a hazardous material must retain the shipping paper "or electronic image thereof for a period of 1 year to be accessible through their respective principal places of business" (49 U.S.C. 5110(e), added by Public Law 103-311, Title I, section 115, 108 Stat. 1678 (Aug. 26, 1994)). In the case of a ground shipment, the shipping paper that must be retained would be the whatever bill of lading or other document satisfies the regulatory requirements for documentation. In the case of a shipment by air, the most common shipping paper would be the IATA shipper's declaration of dangerous goods.

The hazardous materials laws also provide that the offeror and carrier "shall, upon request, make the shipping paper available to a Federal, State, or local government agency at reasonable times and locations." Part of the purpose of recent rulemaking was to determine what constitutes "reasonable times and locations" for purposes of production of the documentation.

To facilitate enforcement of the documentation retention requirement, the July 12, 2002 final rule requires each shipping paper copy to include the

Industry only needs to produce shipping papers "at reasonable times and locations," and not immediately upon request

date of initial acceptance. The 375 day retention period begins on this date. The July 12 final rule also required that copies of shipping papers be made "immediately" available, if requested, to an authorized government official.

Industry appeals

RSPA received appeals of the July 12, 2002 final rule from a variety of industry sources. Industry raised two major issues of concern, and requested clarification or revision of the final rule to provide for easier compliance.

Industry's first area of concern was the rule's requirement that copies of shipping papers be made "immediately available" upon request from officials. Industry

pointed out that the underlying statute did not require *immediate* production of shipping papers, but rather allowed that papers be produced "at reasonable times and locations." Many observers noted that requests for shipping papers could prove unreasonable and burdensome if enforcement personnel interpreted the requirements of the rule too literally, particularly in instances where a company's records were stored at a location in another time zone or even overseas. RSPA agreed, and has now amended the rule (Sections 172.201(e), 174.24(b), 175.30(a)(2), 176.24(b), and 177.817(f)) to allow shippers and carriers, when requested by appropriate officials, to make copies of shipping papers available "through its principal place of business . . . at reasonable times and locations," consistent with the statutory language and regulatory requirements imposed by other agencies.

Another area of concern with the July 12, 2002 final rule involved the provisions governing the shipment acceptance date. The rule permitted rail carriers to use the date on the shipment waybill or bill of lading as the date of acceptance required to be included on shipping papers, but made no such provision for carriers in other modes (e.g. aviation and maritime shipment). In an effort to better account for current transportation practices in other modes, RSPA revised sections 172.201, 175.30, and 176.24 of the rule to permit other carriers to use the date on a waybill, airbill, or bill of lading for the date of acceptance required on a shipping paper.

The amendments to the hazmat rules became effective on November 1, 2002.

Substandard NASA Parts Lead to Indictments

The NASA Office of the Inspector General (OIG) recently announced indictments against two companies accused of selling substandard aircraft parts to NASA.

Both cases illustrate the increasing frequency of prosecutions using parts fraud laws, and the gravity with which authorities regard such offenses.

Key Enterprises Inc. (KEI), of Oilton, Oklahoma was indicted along with its CEO Gary Key for making a false statement to the Government and aiding and abetting the making of a false statement. An investigation of a suspected unapproved parts complaint found that KEI, a certificated repair station, allegedly performed improper repairs on Pratt & Whitney JT8D combustion chambers, then improperly approved the parts for return to service and shipped them to the Department of Defense and purchasers in private industry. NASA and other agencies subsequently acquired the articles from the Department of Defense.

A joint task force comprised of Spe-

cial Agents from the NASA OIG, the Defense Criminal Investigative Service, the Department of Transportation OIG, and the U.S. Postal Service OIG conducted the investigation. The case is being tried before the U.S. District Court for the Northern District of Oklahoma under a sealed indictment.

In Texas, federal authorities indicted Herco Aircraft Machine, Inc. and its owner and president, Heriberto Cortez, for one count of conspiracy and four counts of mail fraud. Herco manufactures aircraft parts for both commercial and government aircraft. Investigators found that Herco allegedly manufactured adapter plate assemblies that failed to comply with all required specifications. The adapter plate assemblies are used on both the Northrup Grumman T-38 and F-5 aircraft. NASA uses Herco assemblies in its T-38 astronaut training aircraft.

The indictment alleges that Cortez, when informed by his employees that the adapter plates did not conform to specifications, nevertheless ordered them to ship the parts. Herco and Cortez allegedly then submitted a DD

Form 250, Material Inspection and Receiving Report, falsely certifying that the adapter plates conformed to the contract. The indictment further alleges that Herco subsequently provided DOD with a letter providing a Certificate of Conformance that misrepresented the nature of the parts.

Parts-related prosecutions are likely to become more frequent as agencies continue to devote more resources toward SUPs issues. A spokesman for the NASA OIG has hinted to ASA that further parts-related indictments may be forthcoming. Department of Transportation OIG representatives confirmed at the most recent meeting of the Industry Suspected Unapproved Parts Steering Team that DOT plans to place greater emphasis on unapproved parts investigations in the coming months as well. The reorganizations surrounding the establishment of the Transportation Security Administration and the Department of Homeland Security are redistributing workloads among transportation-related agencies and leaving DOT's OIG with more time to pursue SUPs cases.

ENFORCEMENT UPDATE

DOT OIG Continues to Support Safety and Prevent Abuse

Enforcement authorities at the FAA and the Department of Transportation Office of the Inspector General (OIG) routinely investigate and bring actions against businesses and individuals who are found to violate federal regulations. Working together with the FBI, the Defense Criminal Investigative Service, the U.S. Customs Service, and other investigative agencies, the FAA and OIG focus on criminal activity involving aircraft parts as

well as suspected violations of safety, security, and hazardous material regulations.

Falsification of airworthiness documents

Richard Tuebner, the owner of RMT & Co., an aircraft parts brokerage firm in Cincinnati, Ohio, that sells aircraft parts for charter aircraft, was sentenced in U.S. District Court in

Dallas, Texas, to two years in jail and ordered to pay \$5,320 in restitution and fines. Tuebner pleaded guilty to wire fraud for preparing false documents certifying the airworthiness of aircraft parts of unknown origin, which he then sold. OIG investigated this case with the assistance of FAA and the Defense Criminal Investigative Service.

(Continued on page 128)

DOT OIG Always Gets Their Man

(Continued from page 127)

Although most fraud prosecutions related to airworthiness documentation are brought using long-standing laws against wire or mail fraud (that is, using the phone or the mail to transmit fraudulent information) or making false statements to the federal government, prosecutors are beginning to take note of and use the parts fraud law enacted in 2000 as part of the massive Wendell H. Ford Aviation Investment and Reform Act for the 21st Century. The new statute prohibits falsifying any material fact, or making any fraudulent representation concerning aircraft or space vehicle parts. The law applies to both public and private transactions and provides for a wide range of criminal and civil penalties.

Hazmat Enforcement

The importance of thorough training for hazmat employees – and adequate records documenting that training – should never be underestimated. The FAA Southern Region recently proposed to assess a \$130,000 civil penalty against Northwest Airlines for allegedly violating the hazardous materials regulations. The FAA alleges that on July 25, 2000, during an inspection at the McGhee-Tyson Airport in Alcoa, Tenn., it was discovered that Northwest failed to maintain records documenting that 22 customer service agents and four air freight employees had completed initial and recurrent training in the handling of hazardous materials. Federal regulations require employees who handle hazardous materials to have special

training, including general awareness training to recognize the hazardous nature of the materials.

The OIG plans to take harder look at hazmat violations in the coming year as well. For the 21st century, a top strategic goal of the Department of Transportation (DOT) is to "Promote the public health and safety by working toward the elimination of transportation-related deaths, injuries, and property damage." Another strategic goal is to "Protect and enhance communities and the natural environment affected by transportation."

Because of significant danger posed to the traveling public from the illegal shipment of hazardous materials the OIG has made its Hazardous Material Transportation Safety Program one of its highest investigative priorities. Speaking at the recent meeting of the ASA Quality Assurance Committee, OIG Investigator Elise Woods stated that the OIG and the Department of Justice anticipate a steady increase in the number of hazmat prosecutions as enforcement tightens.

Security Breaches

The FAA Southern Region has also proposed a \$100,000 civil penalty against Northwest Airlines for allegedly violating the Federal Aviation Regulations. The FAA alleges that on January 12, 1998, during a comprehensive assessment of Northwest at the Nashville International Airport, FAA special agents discovered that Northwest failed to obtain and maintain proper cargo security documenta-

tion, and failed to perform required screening of one cargo shipment during January 5-9, 1998. The delayed announcement of the proposed civil penalty was made in accordance with a Sensitive Security Information rule mandating that the agency will not release such information for 12 months after the event occurs to avoid divulging potential vulnerabilities in the aviation system.

Over the past several months, the OIG has been conducting a wide-ranging investigation, dubbed "Operation Safe Sky," at major airports across the country in an effort to ensure that those employed at the airports have not acquired their employment or their security status by fraudulent means. Employment records for all employees who held Security Identification Display Area (SIDA) badges were examined to determine the veracity of the information they contained. SIDA badges are required to obtain access to secure areas within the airport. Employees generally obtain the badges based on information they provide when they apply for employment.

The investigation has yielded some spectacular – and worrisome – results. In September, 110 people at Denver International Airport were indicted by a federal grand jury for fraudulently obtaining security badges that gave them access to restricted areas, including the tarmac, airplanes, and other secured sensitive locations. Those indicted included a United Airlines pilot, construction workers, se-

(Continued on page 129)

Press releases detailing OIG criminal investigations involving aviation safety and security can be found in the OIG's on-line reading room at:
http://www.oig.dot.gov/docs_by_area.php?area=11.

FAA safety enforcement-related press releases can be found at:
<http://www1.faa.gov/index.cfm/apa/1096>.

OIG at Work

(Continued from page 128)

curity personnel, ramp agents, cleaning crews, transportation workers, and an extensive number of food service workers. All of the employees indicted had access to restricted areas and some had the ability to escort up to six people into restricted areas. Similar numbers of arrests and/or indictments have occurred in Washington, DC and Los Angeles area airports.

Though few parts distributors are located on airport premises, any company that does have employees who have authorization to access secure areas at airports needs to be particularly vigilant in the current climate that their employees' credentials can withstand close scrutiny. Enforcement authorities are quick to follow up when employers are found to be negligent in their responsibilities to screen their personnel.

Government employee misconduct

Investigators do not focus exclusively on members of the public, but are on the lookout for misconduct by government employees (and former employees) as well. Former FAA Aviation Safety Inspector James Moore pleaded guilty in U.S. District Court in Brooklyn, New York to conflict of interest charges. Assigned to the New York Flight Standards Division Office in Garden City, New York, Moore served as FAA's principal operations inspector for an airline that was seeking to upgrade its FAA operating certification. While still an FAA employee, Moore negotiated employment with the carrier. He then resigned and became the carrier's president. The airline is no longer operating. Moore's sentencing date has not been scheduled. The case was investigated by OIG and the FBI.

ASA QA Committee

(Continued from page 119)

damage. He suggested that for each point that could transmit damage, one should check each successive potential transmission point until there is no reasonable opportunity for damage to be transmitted to the next part.

The Association had produced draft guidance on this subject and the Committee offered suggestions on the draft language to be submitted to the FAA about parts that have been previously installed on incident-related or accident-related aircraft. This disclosure is commonly-made in the industry by companies who want to make sure that a hidden damage inspection is performed on a part before re-installation in another aircraft. The hidden damage inspection is performed to determine whether the incident/accident may have adversely affected the airworthiness of the part, e. g. by creating microscopic fractures or other damage.

The group recognized that when hidden damage has been ruled-out through effective hidden damage inspection, there may no longer be a practical need to disclose the past incident/accident history of a part. One of the keys to this issue was a discussion of when a hidden damage inspection is sufficient to permit the distributor to be able to refrain from making the incident/accident disclosure that has become so common in the industry. This is important, because a repair station is required to check a part for hidden damage when it is revealed as having been removed from an incident/accident-related aircraft ... even if a prior hidden damage inspection ruled out the possibility of adverse affect.

The Committee made significant changes to the draft incident/accident guidance and asked the Association to

incorporate these changes into its draft before submitting to the FAA as a proposal.

ASA-100 Ambiguities

Members have raised a concern about the "certified true copy" language associated with the AC 00-56 documentation table, which has been reproduced as a documentation table in ASA-100.

In certain states, the term "certified true copy" designates a notarized copy. ASA researched this issue and found that requiring the use of a notary's services for every signature was not the intention of the drafters of AC 00-56.

To this end, the ASA QA Committee approved a draft Letter of Interpretation. The Letter of Interpretation makes it clear that the term "certified true copy" is meant to include self-certification of the genuineness of the copy (no alterations from the original), but that it is not meant to require a notarization of the certification. A copy of this draft letter can be found on Page 130.

There was also some question about what an "original certified statement" means, in the context of the AC 0-56 and ASA-100 documentation matrices. The Committee agreed that this term in this context meant the statement received by the distributor, which would be retained according to the document retention standards - no other interpretation of this term would be reasonable. Interpretive guidance on this subject can be found on page 131.

ASA intends to coordinate with the FAA and to ask the FAA to endorse these interpretations for all relevant standards—not just for ASA-100.

Aviation Suppliers Association Accreditation Program (ASAAP)

Letter of Interpretation (LI) 100-007

EFFECTIVE DATE: January 1, 2003
TERMINATION DATE: December 31, 2003
ISSUE: What is a "certified true copy?"
AFFECTED SECTIONS: ASA-100 Revision 3.4 § 10 (E); Appendix A

BACKGROUND:

The ASA-100 quality system requires that an accredited distributor meet the requirements of both ASA-100 and the FAA Advisory Circular AC 00-56A (Voluntary Industry Distributor Accreditation Program).

The documentation matrix of AC 00-56 describes the documentation appropriate for accredited distributors. For shipments of new parts, products, and appliances that were received with regulatory airworthiness approval documents, that matrix requires that a distributor provide to the customer a certified true copy of the regulatory airworthiness approval document.

In addition to the requirements of the AC 00-56 documentation matrix, ASA-100 Revision 3.4 § 10(E) requires a distributor to have a procedure in place for accountability of duplicate documents, when copies of material certification documents used for redistribution shipments are made. This provision is supported by FAA AC 00-56A § 6(K).

An issue has arisen concerning interpretation of the term "certified true copy." Some state laws define this term to mean a notarized document. It was not the intention of the FAA nor industry at the time that AC 00-56 or AC 00-56A was drafted that a "certified true copy" be a notarized copy. The intention at the time of drafting was that the distributor would self-certify the correctness of the copy based on its own quality system.

ASA has coordinated this interpretation with the FAA. The FAA recognizes and acknowledges that the term "certified true copy" as used in FAA AC 00-56 reflects self-certification by the distributor and does not require a notary signature.

To reduce confusion in the industry, this Letter of Interpretation (LI) provides interpretation of a term used in ASA-100. This definition applies only to ASA-100, and is not applicable to any other document.

INTERPRETATION:

The term "certified true copy," shall mean an accurate duplication of a document that is certified as such by the distributor. The distributor's certification need not be formal – it can be any statement indicating that the copy is an accurate copy. The distributor shall have a procedure in its quality manual detailing how its procedures for developing a "certified true copy."

Notwithstanding this LI, an accredited distributor is required to follow the written guidance found in its quality manual, as well as the standards to which it is accredited. If this LI contradicts the accredited distributor's quality manual, ASA-100 or AC 00-56A, then the controlling authority is determined in the following order of precedence:

- 1) AC 00-56A
- 2) ASA-100
- 3) Quality Manual

ANTICIPATED FUTURE ACTION:

This interpretation is offered for clarification purposes. It shall be incorporated into the definitions section of a future revision to ASA-100.

QUESTIONS/INQUIRES SHOULD BE ADDRESSED TO:
AVIATION SUPPLIERS ASSOCIATION
734 15th STREET, NW, SUITE 620, WASHINGTON, DC 20005
TELEPHONE: (202) 347-6895 - FACSIMILE: (202) 347-6894
EMAIL: accreditation@aviationsuppliers.org

Aviation Suppliers Association Accreditation Program (ASAAP) Letter of Interpretation (LI) 100-008

EFFECTIVE DATE: January 1, 2003
TERMINATION DATE: December 31, 2003
ISSUE: What is an "original certified statement?"
AFFECTED SECTIONS: ASA-100 Revision 3.4 § 10 (E); Appendix A

BACKGROUND:

The ASA-100 quality system requires that an accredited distributor meet the requirements of both ASA-100 and the FAA Advisory Circular AC 00-56A (Voluntary Industry Distributor Accreditation Program).

The documentation matrix of AC 00-56 describes the documentation appropriate for accredited distributors. For shipments of new parts, products, and appliances that are received without regulatory airworthiness approval documents, that matrix requires that a distributor obtain a certified statement from the seller as to identity and condition. The matrix also provides that the distributor shall provide to the customer (at the time of sale) a statement as to identity and condition and that the original certified statement is on file.

The documentation matrix of AC 00-56 also states that for shipments of used parts, products, and appliances without approval for return to service, the distributor should receive a certified statement from seller as to identity and condition (using a term like "as is" to describe condition). The distributor would then provide to its customer a statement as to identity and condition and that the original certified statement is on file.

In addition to the requirements of the AC 00-56 documentation matrix, ASA-100 Revision 3.4 § 10(E) requires a distributor to have a procedure in place for accountability of duplicate documents, when copies of material certification documents used for redistribution shipments are made. This provision is supported by FAA AC 00-56A § 6(K).

An issue has arisen concerning interpretation of the term "original certified statement." Some parties have interpreted this to mean original copies of shipping document. This can be a problem because sometimes original shipping documents are not available, and only copies are available. It was not the intention of the FAA nor industry at the time that AC 00-56 or AC 00-56A was drafted that the term original refer to anything other than the certified statement received from the seller. The intention at the time of drafting was that the distributor would obtain a statement from the seller concerning identity and condition, and then at the time of sale the distributor would pass along a statement concerning identity and condition based on the documentation it had received, and would also certify that the document it had received from the seller was retained on file. The reference to the original certified statement being on file only means that the documents that the distributor received for these parts would be retained and maintained on file.

ASA has coordinated this interpretation with the FAA. The FAA recognizes and acknowledges that the term "original certified statement" as used in FAA AC 00-56 (as revised) reflects the statement received by the distributor at the time of purchase of the article.

To reduce confusion in the industry, this Letter of Interpretation (LI) provides interpretation of a term used in ASA-100. This definition applies only to ASA-100, and is not applicable to any other document.

INTERPRETATION:

The term "original certified statement," shall mean the statement received by the distributor from the party that provided the article to the distributor in accordance with the REQUIRED ON RECEIPT column of the documentation matrix of AC 00-56 (as revised). The distributor shall have a procedure in its quality manual detailing its procedures for receiving and retaining such "original certified statements."

Notwithstanding this LI, an accredited distributor is required to follow the written guidance found in its quality manual, as well as the standards to which it is accredited. If this LI contradicts the accredited distributor's quality manual, ASA-100 or

(Continued on page 133)

UPNs are published by the FAA's SUPs Program Office. They are republished here as a service to our readers. The Association is not responsible for claims made by the Notification. All questions should be directed to the FAA contact office listed in the Notification.

UNAPPROVED PARTS NOTIFICATION

SUSPECTED UNAPPROVED PARTS PROGRAM OFFICE, AVR-20
45005 AVIATION DRIVE, SUITE 214
DULLES, VA 20166-7541



U.S. Department
of Transportation
**Federal Aviation
Administration**

No. 2001-00229
October 15, 2002

UPNs are posted on the internet at <http://www.faa.gov/avr/sups.htm>

Published by: FAA, AFS-610, P.O. Box 26460, Oklahoma City, OK 73125

AFFECTED AIRCRAFT

Boeing 707, 727, and 737; Douglas DC-8, DC-9, and DC-10.

PURPOSE

The purpose of this notification is to advise all aircraft owners, operators, manufacturers, maintenance organizations, and parts distributors regarding maintenance performed by Airframe Component Maintenance, Inc. (ACM), a former Federal Aviation Administration (FAA)-certificated repair station (Air Agency Certificate No. O7FR503Y), located at 5220 NW 72 Avenue, Miami, FL 33166.

BACKGROUND

Information received during an FAA suspected unapproved parts (SUP) investigation revealed that between January 1, 2000, and November 30, 2001, ACM failed to use the current manufacturers' maintenance manuals; Instructions for Continued Airworthiness; or other methods, techniques, and practices acceptable to the Administrator when performing maintenance on appliances and approving them for return to service.

Attached to this notification is a *partial list* of parts that may have been improperly returned to service by ACM.

RECOMMENDATION

Regulations require that type-certificated products conform to their type design and be properly maintained using current data, required equipment, and appropriately trained personnel. Aircraft owners, operators, manufacturers, maintenance organizations, and parts distributors should inspect their aircraft and/or parts inventory for the appliances identified on the attached list and approved for return to service by ACM. Appropriate action should be taken if any of these appliances have been installed on an aircraft. If any existing inventory includes these appliances, the FAA recommends that you quarantine the appliances to prevent installation on an aircraft until a determination can be made regarding each appliance's eligibility for installation.

FURTHER INFORMATION

Further information concerning this investigation and guidance regarding the above-referenced appliances may be obtained from the FAA Flight Standards District Office (FSDO) shown below. The FAA would appreciate any information regarding the discovery of the above-referenced appliances from any source and the action taken to remove them from inventory or service.

This notice originated from the Miami FSDO, 8600 NW 36th Street, Suite 201, Miami, FL 33166, telephone (305) 716-3400, fax (305) 716-3456; and was published through the FAA SUP Program Office, AVR-20, telephone (703) 661-0580, fax (703) 661-0113.

PARTIAL LIST OF PARTS

Part Name	Part No.	Serial No.	Work Order No.	A/C Type
ADF Antenna	5914221-26		01-116	DC-9
ADF Antenna	5914221-25		01-115	DC-9
Airstair	808000-607		00-021	B737
Airstair	808000-610		01-289	B737
Antenna Panel	5914222-503		00-057	DC-9
Antenna Panel	5914222-504		00-056	DC-9
Flap Track	65-46428-24		01-041	B737
Flap Track	65-46428-27		01-066	B737
Flap Track	65-46428-21	1414	01-114	B737
Flap Track	65-46428-25	4674	01-154	B737
Flap Track	65-46428-21	MDZ1530	01-205	B737
Flap Track	65-46428-25	4674	01-243	B737
Flap Track	65-46428-25	01-249	01-249	B737
Flap Track	65-46427-31	01-281	01-281	B737
Flap Track	65-46428-21		00-074	B737
Flap Track	65-46428-27	B4103	00-077	B737
Flap Track	65-46428-25	01-288	01-288	B737
Flap Track	65-46438-5	MLP386	01-264	B737
Panel Assembly	65-50821-481		01-158	B737
Panel Assembly	65-21655-474	01-226	01-266	B727
Panel Assembly	65-21655-470	01-255	01-255	B727
Panel Assembly	65-19286-40	01-008	01-008	B727
Panel Assembly	AJC7510-1		01-069	DC-10
Panel Assembly	5912735-1	01-215	01-215	DC-9
Panel Assembly	AJC7510-501		01-072	DC-10
Panel Assembly	5-89347-3011		01-167	B707
Panel Assembly	AJC7072-2	01-283	01-283	DC-10
Panel Assembly	65-21655-473	W001-209	01-209	B727
Panel Assembly	AJC7514-1		01-070	DC-10
Panel Assembly	5611017-2		01-180	DC-8
Panel Assembly	65-19286-40		01-008	B727
Panel Assembly	65-19687-94	01-246	01-246	B727
Panel Assembly	65-19281-157	4674	01-240	B727
Panel Assembly	65-21655-474	01-226	01-266	B727

(Continued from page 131)

AC 00-56A, then the controlling authority is determined in the following order of precedence:

- 1) AC 00-56A
- 2) ASA-100
- 3) Quality Manual

ANTICIPATED FUTURE ACTION:

This interpretation is offered for clarification purposes. It shall be incorporated into the definitions section of a future revision to ASA-100.

**QUESTIONS/INQUIRES SHOULD BE ADDRESSED TO:
 AVIATION SUPPLIERS ASSOCIATION
 734 15th STREET, NW, SUITE 620, WASHINGTON, DC 20005
 TELEPHONE: (202) 347-6895 - FACSIMILE: (202) 347-6894
 EMAIL: accreditation@aviationsuppliers.org**

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UNAPPROVED PARTS NOTIFICATION

SUSPECTED UNAPPROVED PARTS PROGRAM OFFICE, AVR-20
45005 AVIATION DRIVE, SUITE 214
DULLES, VA 20166-7541



U.S. Department
of Transportation
**Federal Aviation
Administration**

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AFFECTED AIRCRAFT

Hot air balloons.

PURPOSE

The purpose of this notification is to advise all aircraft owners, operators, manufacturers, maintenance organizations, and parts distributors regarding unapproved pressure relief valves (PRVs) that were installed in propane cylinders used in hot air balloons.

BACKGROUND

Information received during a Federal Aviation Administration (FAA) suspected unapproved parts investigation revealed that PRVs designed for automotive use were approved for return to service for installation in propane cylinders used in hot air balloons. The unapproved PRVs, identified as part no. 236213, were approved for return to service by Mr. Ragene Washburn, owner of G&J Aircraft Service, 20048 Pearre Lane, Boonville, MO 65233. Mr. Washburn, holder of mechanic certificate (airframe and powerplant ratings) and inspection authorization (IA) no. 1419452, approved the PRVs for return to service during employment in Columbia, MO.

Below are the affected propane cylinder part numbers:

Aluminum 10-Gallon Cylinder: part numbers 3229, 3035, and 3258

Stainless Steel 15-Gallon Cylinder: part numbers 3661-1 and 3661-2

The subject PRVs, which were designed for automotive use, release at a lower pressure (180 - 200 psi) than the PRVs approved for installation in hot air balloons (375 psi). Attached to this notification are photographs with accompanying text describing the characteristics that distinguish the unapproved PRV from the approved PRV, which is part no. 3435-3 and intended for installation in propane cylinders used in hot air balloons.

RECOMMENDATION

Regulations require that type-certificated products conform to their type design. Aircraft owners, operators, maintenance organizations, parts suppliers, and distributors should inspect their aircraft, aircraft records, and/or parts inventories for the above-referenced PRVs identified as part no. 236213. If an above-referenced PRV is installed in a propane cylinder for use in a hot air balloon, contact the FAA Flight Standards District Office (FSDO) given below for guidance regarding the appropriate action to be taken. If any of the referenced PRVs are found in existing parts inventory, it is recommended that the PRVs be quarantined to prevent installation in a hot air balloon propane cylinder until a determination can be made regarding each part's eligibility for installation.

FURTHER INFORMATION

Further information concerning this investigation and guidance regarding the above-referenced PRVs may be obtained from the FAA FSDO given below. The FAA would appreciate any information concerning the discovery of the above-referenced part from any source, the means used to identify the source, and the action taken to remove the part from service.

This notice originated from the Kansas City, MO, FSDO, 10015 N. Executive Hills Boulevard, Kansas City, MO 64153, telephone (816) 891-2100, fax (816) 891-2155; and was published through the FAA Suspected Unapproved Parts Program Office, AVR-20, telephone (703) 661-0581, fax (703) 661-0113.



Photo 1

A washer and a star nut retain the poppet spring on approved part no. 3435-3 (on right). On the unapproved PRV (part no. 236213), a star retainer and two quarter-inch nuts retain the poppet spring.

The unapproved PRV poppet spring is 3/16 inch shorter than the poppet spring on approved part no. 3435-3.

The stamped marking above the external threads on part no. 3435-3 indicates: UL CLASS CGA S-1.1 (space) SHERWOOD PV435A. The stamped marking above the external threads on the unapproved PRV indicates: UL CLASS CGA S-1.1N375-.072.

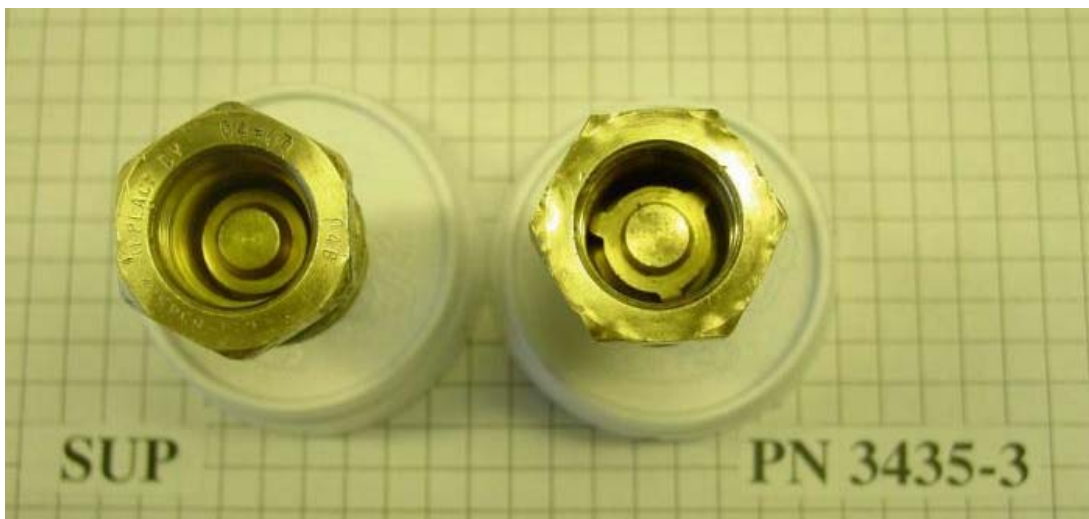


Photo 2

Top view of the unapproved PRV (on left) shows the following stamped markings: C1.18545AK REPLACE BY 04=07. No stamped markings appear on the top of the approved PRV valve.

The thickness of the hex head on the unapproved PRV is 0.040 inch thinner than the hex head of approved part no. 3435-3. The head of the poppet valve on part no. 3435-3 has three tabs. The head of the unapproved valve does not have tabs.

When installed in a balloon propane tank, the unapproved part can be distinguished by the absence of tabs on the head and the incorrect markings on the top of the valve.

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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 nine are now on-line!

UPCOMING EVENTS

** = Look for ASA personnel on the speaking program*

*ASA is currently working on the 2003 workshop and training schedule.
Keep checking our website for the latest updates.*

Dec. 10 * **ASA Workshop: Achieving Improved Practices**, Fort Lauderdale/Miami, FL. See page 122 for details.

2003

Mar. 24-26 **Speednews Aviation Industry Suppliers Conference**, Los Angeles, California. Call (310) 203-9603.

Apr. 23-26 * **Aircraft Electronics Association Convention**, Orlando, FL. Call (816) 373-6565 for details.

June 22-24 * **ASA Annual Conference**, Ritz-Carlton, Naples, FL. More details to be published after the first of the year.

Sept. 22-24 **Speednews Aviation Industry Suppliers Conf in Europe**, Toulouse, France. Call (310) 203-9603.

Nov. 2-4 **Speednews Reg'l & Corp. Aviation Industry Suppliers Conf.**, Rancho Mirage, CA. (310) 203-9603.

*We've moved!! Please update your records to reflect our new location at:
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Washington, DC, 20005
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October/November 2002