Manufacturing Distributors Distributors Maintenance Operations Distributors

The Update Report

The Airline Suppliers Association

Volume 9, Issue 2 February 2001

YOUR ASSOCIATION IN ACTION

ASA Begins Hazmat Training

A surprising variety of components and substances in the aviation industry are considered hazardous materials. The hazards of some hazmats are well-known: few people doubt that oxygen generators can be hazardous, but other hazmats are less well identified as regulated materials. From engines with residual fuel to batteries to cleaners, the aviation parts industry sees a wide variety of hazardous material pass through its doorways.

Transportation of hazardous materials is regulated by the government, and an important aspect of that regulation is the requirement that any employee who makes safety decisions concerning hazmats must be trained at least once every three years (every year for air carrier personnel).

In February, ASA introduced its new hazmat course for the aviation industry. This course is specially designed for our industry, specializing in the parts and substances that aviation manufacturers, distributors, repair stations and air carriers are most likely to see and use.

The first two courses were well attended, and initial reactions from attendees have been quite positive. Several participants who'd attended other courses in the past stated that the ASA course was better than the other courses that they'd attended.

ASA's hazmat course teaches the basic regulations out of the US Code of Federal Regulations, and indicates where there are significant variations from the ICAO technical instructions. The ICAO instructions are the primary basis of the IATA dangerous goods regulations that are used throughout the aviation industry.

If a person violates US law by following the IATA requirements, compliance with the IATA requirements is not a valid excuse! For example, the strontium chromate in some primers is regulated under US rules but is not directly regulated under IATA regulations. Failure to follow US standards for shipping strontium chromate would be against the law.

ASA's course teaches how to read the regulations, and explains when the shipper may use the ICAO (IATA) instructions as an acceptable alternative. Perhaps most importantly, ASA's course meets the training requirements of the regulations.

The hazmat regulations also require that student be tested. All students who pass the testing requirement of the ASA course receive a certificate of achievement, as well as a record of training that meets the employer's record-keeping requirements.

For more information, turn to page 22 to find a course near you!

Inside this Issue:

Congratulations to:

AV Parts Corporation
Miami, FL

Qwest Air Parts, Inc.
Miami, FL

For their accreditation to the Airline Suppliers Association's Accreditation Program, and

The AGES Group
Boca Raton, FL
West Babylon, NY
Kent, WA

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

For their re-accreditation to the Airline Suppliers Association's Accreditation Program

Keep watching http://www.airlinesuppliers.com for the ever-growing list of AC 00-56 accredited distributors

ASA AIRLINE SUPPLIERS ASSOCIATION

A Message from ASA's President

Last May, the FAA published an Unapproved Part Notification (UPN) regarding cables manufactured by Strandflex Company. Representatives of the FAA and DOT Office of Inspector General (OIG) discussed the issues regarding this UPN, its timeliness and FAA oversight of standard parts manufacturers, at the 2000 ASA annual conference.

Congressman Lipinski, DeFazio and LaHood's office asked the DOT OIG to investigate the FAA response procedures when notified of a suspected unapproved part, with a focus on the Strandflex timeline. This week, the DOT Inspector General, Kenneth Mead, submitted his findings to Congress. There has been a lot of focus on this particular UPN due to media reports.

The OIG found that there were several factors that caused a delay in publishing the UPN. The FAA did not release any UPN for a 4-month period due to a legal challenge to the UPN process. After the FAA counsel concluded that the FAA had authority to publish UPN's, the FAA SUPs Office began to publish UPN's. There were also additional delays, of approximately 4 ½ months, caused by a FAA misfiling and FAA internal notification procedures. The OIG found that the internal procedures were not timely.

The IG letter stated that the FAA has instituted corrective action and the OIG will continue to monitor the corrective action.

The attention surrounding this UPN is of importance not only for the issue of the quality of the cabling, but also as a reminder that the issue of unapproved parts and how the FAA conducts itself is important to Congress and the OIG. The OIG letter also referenced an Audit Report that the OIG published. That audit report found systemic problems with the FAA's oversight of quality assurance systems for the manufacture of threaded fasteners.

Congressman Mica (R-FL), who chairs the aviation subcommittee has asked ASA questions about the state of parts oversight in the industry today, and about the progress the FAA has made in identifying and correcting SUPs issues.

No doubt, both manufacturing oversight and unapproved parts will continue to be discussed on Capitol Hill.

If you are interesting in reading the OIG letter about Strandflex, it may be downloaded from the internet at http://www.oig.dot.gov/correspn.htm.

Best regards,

Michele

Board of Directors Election

Don't forget to fax your vote in the ASA Board election! Deadline for votes is March 23, 2001, 5pm ET. If your company did not receive a ballot, or you have any other questions, please call ASA at (202) 730-0270.

The Update Report
is a monthly newsletter of the Airline Suppliers Association. Questions/ comments should be addressed to:

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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 Airline 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) 730-0270.

AD Proposal: "Simplification" Gone Wrong

Efforts to make the Federal Aviation Regulations more user-friendly are always welcome. Nevertheless, attempts to simplify regulations can sometimes cause more problems than they solve when the results of those attempts are not fully-considered. The FAA threatened to create just that sort of problem on January 12th when it published its proposed changes to FAR Part 39, which governs Airworthiness Directives (ADs).

This is a proposal that is not yet a rule—ASA members with an interest in ADs still have time to register their opinions with the FAA!

Background

The FAA issues ADs in response to safety problems that are discovered in aeronautical products. ADs impose a legal obligation on the aircraft owner to correct the unsafe condition. Distributors of parts and components often keep abreast of ADs that apply to parts or components in their inventories, so as to be able to provide their customers with the information they need to comply with regulatory and safety obligations. Although the FARs impose no legal obligation on distributors to inform customers of ADs, it makes good commercial sense to inform customers of applicable ADs, and many distributors voluntarily do this at the time of sale.

The Changes

One of the FAA's proposed changes is aimed at making ADs shorter and more clearly focused on safety issues. Rather than repeating standard "boilerplate" language in ever AD, the "boilerplate" language would be removed to the standard regulatory language of Part 39. This standard language would state that the AD is applicable even when the product has been altered or modified, and would address procedures for obtaining a ferry permit, as well as procedures for obtaining approval of alternate methods of compliance.

On closer examination, though, the FAA's language will likely make ADs *less* clear than they were before. Some ADs really are limited in their applicability; for example the FAA sometimes issues ADs only against the modified products, and not against all products within a product line. Therefore, the "boilerplate" language really does not belong in every AD.

"Plain Language"

The FAA has attempted to make Part 39 easier to understand by following the government's "plain language" initiative. The "plain language" initiative recommends re-writing regulations in a question-and-answer format. In many situations, plain language regulations permit an agency to answer common questions that have arisen about the interpretation of a statute. Unfortunately, plain language regulations do not help the FAA.

This is because other agencies use legislation to establish clear standards and rules. Then, they use their regulations to describe *how* the agency will enforce these standards found in the law. The FAA, on the other hand, is given broad discretion in the law and usually establishes its standards in the regulations themselves. To be effective, these regulations must provide clear standards and rules, and these are usually best conveyed through simple, direct language. By replacing the regulations that set standards with a question-and-answer-style plain language document, there are no longer any standards about which to raise questions. As implemented in the Part 39 proposal, the questions exist in a vacuum, with no objective standards upon which to formulate the answers posed in the questions.

The appropriate place for the FAA to implement the plain language initiative would be in the Advisory Circulars, where the regulatory standards are interpreted.

Substantive Problems

These "procedural" problems are not the only flaws in the proposed regulations. There are also "substantive"

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The Glueckler Award
Call for Nominations

The Edward J. Glueckler Award is presented annually in recognition of outstanding commitment, dedication and contribution to the Airline Suppliers Association and to the aviation industry.

ASA is currently seeking nominations for this year's recipient. Complete information is available on the internet at:

http://www.airlinesuppliers.com/glueckler2001.html

Nominations are due to ASA by March 31, 2001.

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problems with the proposed rules – problems that could degrade safety in addition to jeopardizing clarity and regulatory uniformity. Often these problems arise as a consequence of poor wording in the pursuit of "clarity."

The rule concerning the application of ADs to modified aeronautical products, for example, has become less clear because of its confusing and self-contradictory language. In another example, the proposed rule on obtaining information on alternative means of compliance is so loosely written that it appears to allow the FAA to release proprietary information on how other companies have found ways to comply with an AD – this would probably represent a violation of certain criminal laws that apply to government employees!

The proposed rule on obtaining approvals for alternate means of compliance with an AD poses additional problems. The FAA missed an opportunity to clarify the existing situation by neglecting to set forth the standards it would use to review requests for alternate means of compliance. At the same time, it appears to have precluded some existing procedures to obtain such approval directly through the local Flight Standards District Office.

In more than one instance the FAA has imposed, at least by implication, a new obligation on itself with little or no indication that it has procedures in place to allow it to follow through. Requests for approval of alternate means of compliance are to be addressed to the "FAA manager identified in the directive," even though there is no regulation that requires the FAA to name such a person. This represents shoddy rulemaking, which imposes an obligation on the public but fails to impose the correlative obligations on the FAA. In particular, under current practice, the FAA may list a contact who is not a manager, or may list more than one point of contact for a given AD. This is likely to make compliance more confusing, not less.

ASA has recommended that the FAA abandon this rulemaking project, as the changes proposed are likely to have no positive effect on safety. As always, ASA encourages members to evaluate the proposed rule on their own and submit their own comments. ASA and several other trade associations filed a request for an extension, which was granted. The new comment deadline is March 29, 2001.

Copies of the ASA comments are available on the ASA website!
The Part 39 Proposal can be found at:
http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=2001_register&docid=fr12ja01-44.

Aviation Priorities for the New Congress

What are the top aviation issues for Congress in 2001 and 2002?

The 107th Congress was sworn in on January 5, and will continue to serve through the 2002 adjournment (probably October, 2002). While 1999-2000 was branded "the year of aviation," there is still much to be done in aviation legislation.

ASA spoke with several members of the Aviation Subcommittee of the United States House of Representatives and asked them what they believe are the most important aviation issues for the new legislative session.

Gridlock in the nation's skies topped the list of issues, followed by concerns over airline mergers. Another popular issue cited by many members was transportation of hazardous materials by air (and violations of these hazmat regulations). After mentioning air traffic concerns, Chairman Mica himself immediately zoomed in on the issues surrounding "unapproved parts."

Air Traffic Concerns

Almost without exception, members of Congress from the aviation subcommittee cited air traffic gridlock as the number one problem they hope to address in this term. Members pointed out that flight delays can be attributed to a variety of causes. Leaving aside the weather (which Congress has no plans to change), the most frequently cited causes for delay are:

- the shortage of capacity at key U.S. airports,
- delays in modernizing the air traffic control system, and
- the general difficulties the industry and government have faced together in resolving these issues.

The consequences have been a rise in passenger dissatisfaction (measured in terms of increased complaints and heightened incidence of "air rage"), a gradual erosion of safety (as demonstrated by the increase in air traffic control errors and runway incursions), and the increasing potential for air transport problems to act as a brake on economic development. All of these are issues that concern voters, so all of these are subjects of concern to members of Congress; most members of Congress are also frequent flyers, though, so they each have a particular personal concern about aviation safety.

Protecting our aviation infrastructure was an early priority for Congress, as members were forced to move quickly to protect their work from the last session. The Aviation Investment and Reform Act (AIR-21), passed last year, earmarked $13.3 billion for FAA operations and for capital improvements at U.S. airports. A cornerstone of the Act was the requirement that user fees paid into the Airport and Airway Trust Fund could only be used for developing the civil aviation system, and could not be diverted for other uses. Recently, however, the Office of Management and Budget proposed a 2001 budget for the FAA that fell $568 million short of the amounts approved in AIR-21. In response, committee chairman Don Young (R-AK) and ranking Democratic member James Oberstar (MN) promptly sent a letter to President Bush urging him to keep the commitment to use the FAA funds for their original purpose. The OMB relented and aviation funding went through as planned in AIR-21.

Most members agreed that in the long run, the surest solution to increasing air transport capacity in the U.S. is to construct more runways at key airports. This is considered the "concrete" solution. Unfortunately, this process is fraught with political difficulties, ranging from zoning approvals to citizens' opposition to noise and other emissions. These factors combine to make any new U.S. runway project a ten to fifteen years endeavor.

In the meantime, alternative solutions need to be found. These alternative solutions, meant to bridge the gap between our immediate needs and the long-term "concrete" solutions are often described as the "technology" solutions. Proposals include increasing utilization of smaller airports, introducing economic incentives like peak time pricing to encourage passengers to fly at less busy times, and improving the air traffic control system through equipment upgrades. Congress is currently evaluating the problems, but there is as yet no consensus on any legislative solutions.

The most likely solutions to emerge out of this morass of short-term proposals are upgrades to the technology that helps keep the system safe. Collision avoidance systems, surveillance systems, and other navigational aids may get a big boost from Congress over the next decade. This is an important trend for distributors to monitor, as technology solutions could render yesterday's technology obsolete faster than expected.

Air Carrier Mergers

The number-two aviation issue before Congress this term is closer scrutiny of proposed airline mergers. The planned merger of United Airlines and US Airways, American Airlines' proposed purchase of the TWA's assets, and hints that Continental Airlines may attempt to merge with

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Congress May Consider New Hazmat Laws

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Delta, all promise to affect consumer choices in air travel markets nationwide. Questions about whether these mergers would be pro-competitive or anti-competitive abound. A bill introduced in the House on February 27 seeks to impose a one-year moratorium on mergers by the seven largest U.S. carriers in order to allow the Congress and federal agencies time to evaluate the consequences of such mergers.

Air carrier mergers present a broad range of important business concern for distributors. Mergers may bring more business to those who already deal with the existing major carriers, but those who did business with the acquired party may have to act quickly and decisively to avoid losing their relationships with buyers and other decision-makers in the new mega-carriers. It is important to the U.S. economy as well as to the health of the distribution community that the smaller carriers (especially regional carriers) continue to thrive in the face of mega-carrier competition. If the Justice Department gives the green light to major air carrier mergers, then it is likely that there will be conditions that help to assure continued viability of the other carriers in the country.

Hazmat

The transport of hazardous materials by air continues to be another concern of members of the House Aviation Subcommittee.

Ranking Democratic member Congressman William Lipinski (D-IL) introduced a bill in the last session of Congress that would have established a minimum fine of one million dollars and up to five years imprisonment for anyone who knowingly transported a chemical oxygen generator on a passenger aircraft. Though the bill failed to pass last term, Congressman Lipinski and the bill's cosponsors remain committed to reducing the dangers of hazmats on aircraft. Aviation subcommittee member Bob Filner (D-CA) has also stated that unsafe transportation of hazardous materials by air is one of his top concerns in this Congress. Further hazmat legislative action in this session is possible.

Members who share ASA's concerns about the unsafe transportation of hazardous materials have been particularly pleased to learn of ASA's hazardous materials training courses.

The transport of hazardous materials by air continues to be another important Congressional concern.

Who's in Charge?

Because of Republican rules concerning term limits for Chairmen in the House, the House Aviation Subcommittee has new leadership this year. The previous chairman, Rep. John Duncan (R-TN), was obliged to step down as a consequence of these rules, after achieving great things in the AIR-21 bill last year. He remains an active member of the subcommittee. The new chairman is Congressman John Mica (R-FL), a member of the subcommittee since 1993 who has also been active on the House Government Reform Committee. His district includes many aviation businesses near the Orlando Airport. Congressman Walter Lipinski (D-IL) is the ranking Democratic member of the subcommittee, and his district includes Chicago's Midway Airport.

Chairman Mica has asked to meet ASA's President, Michele Schweitzer, to discuss aircraft parts issues. She is scheduled to meet with the Congressman in early March.

The Aviation Subcommittee of the Senate Commerce Committee has also seen a change of leadership, with Senator Kay Bailey Hutchison (R-TX) named as chairperson. Senator Hutchison, a former vice chairman and acting chairman of the National Transportation Safety Board, introduced legislation in the last Congress to improve airport security by tightening standards and training requirements for security personnel. The bill was passed in November as the Airport Security Improvement Act of 2000.

ASA will continue to monitor developments on the Hill and keep you informed of issues that affect the aviation parts industry.

Want to check out what Congress is doing in aviation legislation?

House Aviation Subcommittee web site
http://www.house.gov/transportation/aviation/aviation.htm

Senate Aviation Subcommittee web site
http://www.senate.gov/~commerce/subcmte.htm#Aviation.

Protecting Your Rights In Someone Else's Bankruptcy

This is the conclusion to a four-part series on business bankruptcy. This installment examines the special issues that arise when a company that holds a consignment inventory files for bankruptcy. Of course, this article features a special emphasis on assuring that the owner of the consignment can retrieve the parts following the bankruptcy filing!

As with all advice in the Update Report, this article should not take the place of competent legal advice based on the particular facts of your situation.

The first three installments of this series discussed some of the basics of bankruptcy law, such as the particular terminology used in bankruptcy proceedings, some terminology applicable to consignments, and the differences between the two main bankruptcy options for an insolvent business – Chapter 7 liquidation or Chapter 11 reorganization. The past installments discussed the steps that a creditor should take when a business partner that owes money files for bankruptcy, as well as how to become a "secured" creditor entitled to higher priority when the bankrupt company's assets are distributed to repay its debts. They also examined what happens when a business that placed goods on consignment with someone else files for bankruptcy.

This conclusion to the series examines the other side of consignment bankruptcy, where a company holding goods on consignment declares bankruptcy. It analyzes the owner/consignor's rights and the options for protecting the consignor's goods that are placed on consignment from the claims of the consignor's creditors.

What do you do when you place a consignment with a company that goes bankrupt? Can you get your consignment back?

Bankruptcy of the Consignee

The person who places the inventory in a consignment generally continues to own the parts. This person is the consignor and the ownership interest is often described as "title." The person who accepts the consignment usually serves as a sales agent for the consignor. The person accepting the consignment is the consignee.

The previous installments of this series discussed the bankruptcy estate. The bankruptcy trustee may not retain items that are not part of the bankruptcy estate as assets for purposes of paying the creditors. Items that are part of the estate; however, are among the assets to be liquidated in addressing the concerns of the creditors.

Fact Pattern One

Acme Airways places an inventory of parts on consignment with XYZ Aircraft Parts, Inc. for resale by XYZ's sales staff to XYZ's customers. Acme Airways is subsequently notified that XYZ is filing for Chapter 7 bankruptcy. One half of the consigned goods have been sold, but Acme Airways has not yet received any payment from XYZ.

What happens to Acme Airways' remaining goods in XYZ's possession, and how can Acme Airways recover the proceeds for the goods already sold?

Analysis

In Fact Pattern One, when the time comes to determine what property belongs to the bankruptcy estate of the *consignee*, one might expect that consigned goods in the consignee's

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Bankruptcy

possession would not be part of the estate, and therefore immune from the claims of the consignee's creditors. Unfortunately, that is *not* the case here, because this is one instance where the legal character of a consignment may be viewed completely differently by the courts.

In the context of creditor's claims, consignments are often considered, as a matter of law, to be an arrangement known as a "sale or return." A "sale or return" is an agreement under which a buyer accepts goods for resale to third parties on the understanding that the buyer will be able to return any unsold goods to the seller. The buyer in a "sale or return" transaction (XYZ Aircraft Parts, in our example) is considered to have title to the goods once they are in his or her possession, just like in any ordinary sale. What makes a "sale or return" different from an ordinary sale is that the buyer has the option of returning goods to the seller if the buyer cannot resell them, at which time title to the goods passes back to the original seller.

This takes on particular significance in situations – not uncommon in the parts industry – where the goods are delivered to a distributor for resale, and that distributor (like XYZ) maintains a place of business at which he or she deals in goods of the kind involved, under a name other than that of the person making delivery. If that distributor becomes "insolvent," that is, his or her debts are greater than his or her assets (generally the case when filing for bankruptcy), and he or she cannot pay his or her creditors, the creditors can "attach," or seize, goods placed on consignment with the distributor in order to satisfy the debt. This can happen *even if* the parties to the consignment never referred to themselves as "buyer and seller", *even if* the parties to the consignment never intended the transfer of the consigned goods to be a "sale," and *even if* the party placing the goods on consignment was careful enough to include a clause in the consignment agreement stating that he or she is to retain title to the goods on consignment.

Protecting Your Consigned Inventory

Consigned goods are not *always* subject to claims of the consignee's creditors. There are three situations in which the consignor can protect a consigned inventory from the consignee's creditors.

Security Interests

The best way to protect consigned goods is to establish a security interest in the goods. The parties would sign and file a financing statement with the Secretary of State or other appropriate state office in the jurisdiction where the buyer is located (or, in the case of a complete aircraft, filing a lien with the central FAA registry in Oklahoma City).

This filing serves as an official record of the consignor's interest in the goods.

A financing statement includes the names of the parties, an address of the secured party (the consignor in our example), a mailing address of the debtor (the consignee in our example), a statement describing the inventory by item or type, and the signature of the debtor (the consignee). A financing statement generally remains valid for five years.

If filed before the goods are placed on consignment, the financing statement is generally sufficient to ensure that the consignor's rights take precedence over any creditors, whether secured or

Your Consignments and Someone Else's Bankruptcy

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general, who may wish to assert a claim over the consigned goods. The consignor is responsible for providing notice of this filing to existing security interest-holders.

If filed after the goods are delivered, the security interest may be subordinate to any prior-filed security interests against the inventory of the consignee, although it will likely take precedence over financing statements (or other security interests) filed subsequent to the consignor's filing. Although it is best to file a financing statement (indicating the security interest) before the goods are delivered, a later-filed financing statement may help protect the consignor's rights in some cases.

Consignee's Reputation

Creditors may be prevented from asserting claims over consigned goods in the debtor's (consignee's) possession if the consignor can prove that the debtor (consignee) is generally known by his creditors to be substantially engaged in selling the goods of others. For a consignor to take advantage of this exception, the consignor must be able to show that the creditors were aware that goods in the debtor's possession don't belong to the debtor. If, in Fact Pattern One, XYZ Aircraft Parts was well known throughout the industry as a company that dealt exclusively in consignment sales, it is unlikely that creditors would be able to assert claims over XYZ's inventory. All too often, however, the situation is not that clear, and the precise meaning of key concepts like "generally known" or "substantially engaged" must be addressed by a court before a clear owner of the inventory may be established.

Describing an inventory as a consignment in the contract may not be enough to protect it from being identified as part of the consignee's bankruptcy estate

Sign Laws

The third method of protecting inventory is only applicable to states that have "sign laws." A sign law is a special legal provision that provides that goods that are marked by a sign as on consignment, and as being owned by the consignor, will be treated as the consignor's goods, and not as the consignee's goods, in the event the consignee declares bankruptcy.

This option is rarely available. In or-

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der to take advantage of this option, the state whose law governs the consignment transaction (usually the state where the consignee is located) must have a "sign law" that specifically allows the practice – something few states have. Most states have eliminated sign laws altogether.

Many consignees in the aviation industry mark consigned goods with a sign indicating ownership as a matter of practice. While this represents a good business practice, it is likely to have little legal effect when the consignee's creditors are looking for assets to liquidate.

Conclusion

If Acme Airlines placed an inventory of parts on consignment with XYZ Aircraft Parts for resale, and XYZ maintains its own place of business at which it regularly deals in aircraft parts under its own name, Acme Airlines can only expect to recover the inventory from a bankrupt XYZ if Acme Airlines:

(1) took the precaution of filing a financing statement to record its interest in the parts before placing them in the consignment (filings made after placement may be subordinate to other security interests),

(2) can prove to the bankruptcy court that XYZ's creditors are generally aware that XYZ is substantially engaged in consignment sales, or

(3) made sure that its goods were clearly identified as belonging to Acme Airlines under an applicable "sign law" (only in states that have a sign law).

If none of these three situations apply, Acme Airlines may find itself in the unfortunate company of the debtor's unsecured creditors, hoping for pennies on the dollar many years in the future as a return on its consignment.

In most cases, the time to protect your rights in the consignment is *before* the consignee files for bankruptcy, and the options outlined above are the only ways to do it – a provision in a consignment agreement that stipulates that you retain title to the goods until they are sold, or that title reverts to you if the consignee becomes insolvent or files for bankruptcy, will generally not be valid. Once a bankruptcy petition is filed, goods on consignment with the debtor will often become part of the bankruptcy estate. Even if Acme Airlines drives a truck down to XYZ's warehouse the day they hear about the Chapter 7 filing and if Acme Airlines retrieves all of their inventory, the court will not recognize Acme Airlines' title unless Acme Airlines has satisfied one of the three conditions described above – the court is likely to order Acme Airline to turn the inventory over to the bankruptcy trustee.

Be sure to ask for help!

Every bankruptcy situation is unique – and often fairly complicated. If you find yourself affected by the bankruptcy of a person or company with which you were doing business, the first thing you should do to protect your interests is to consult a bankruptcy attorney. Bankruptcy laws can be complex, and there are pitfalls that can snare even otherwise careful businesspeople. Understanding the basic provisions of the law, planning ahead to take advantage of the laws meant to protect your rights, and seeking professional legal help at the appropriate times, can go a long way toward protecting your interests in the event of a bankruptcy situation.

Issues of the Update Report Are Now Online!

Are you reading a borrowed copy of the Update Report? Subscriptions to the Update Report are now FREE to persons in the aviation industry or the government. To receive your free subscription, send your name, title, company, address, phone number, fax number and email address to ASA. Our email address is info@airlinesuppliers.com and our fax number is (202) 730-0274.

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 eight are now on-line!

UPCOMING EVENTS

**** = Schweitzer, Lewis or Dickstein will be speaking there***

Mar. 25-28	**Conference on Quality in Commercial Aviation**, Dallas, TX. Send email to info@asdnet.org for details.
Mar. 26-28	**Commercial Aviation Indus. Suppliers Conference**, Los Angeles, CA. Call (310) 203-9603 for details.
Mar. 26-28	*** PMAs & Spare Parts**, Atlanta, GA, Atlanta Airport Marriott. Call (207) 892-5445 for more details.
Mar. 29-30	*** ASA Hazmat Training**, DFW Airport Marriott, Dallas, TX. See Page 22 for details.
Apr. 3-5	**MRO**, Dallas, TX. Contact Ryan Leeds for details at (212) 904-3892.
Apr. 25-27	**NY School of Int'l Aviation Finance**, NY, NY. Call Euromoney at (44) 0 20 7779 8999.
Apr. 25-28	*** Aircraft Electronics Ass'n Convention & Trade Show**, Dallas, TX. Call (816) 373-6565 for info.
Apr. 27-30	**Aeronautical Repair Station Ass'n Symposium,** Arlington, VA. Call (703) 739-9543 for details.
Apr. 29-30	*** HazMat Training for the Aviation Community**, Long Beach, CA. Call (202) 730-0260 for details.
May 1-3	*** Aviation Services and Suppliers Supershow**, Long Beach, CA. Call (202) 730-0260 for details.
May 4	*** ASA Workshop**, Phoenix, AZ. All the latest legal changes you need to know! Call (202) 730-0270.
May 10-11	*** ASA Hazmat Training**, NY/NJ area (location TBA). See Page 22 for details.
July 8-10	*** Airline Suppliers Association Annual Conference**, The Breakers, Palm Beach, FL. Call ASA at (202) 730-0270 for more information, or send email to conference@airlinesuppliers.com.
Aug. 16-17	*** ASA Hazmat Training**, Phoenix, AZ. See Page 22 for details.
Aug. 20-21	*** ASA Hazmat Training**, Los Angeles, CA. See Page 22 for details.
Aug. 22-23	*** ASA Hazmat Training**, Seattle, WA. Hosted by Avolo! See Page 22 for details.
Sept. 13-14	*** ASA Hazmat Training**, Chicago, IL. See Page 22 for details.

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