



The Update Report

The Airline Suppliers Association

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2000 Annual Conference Issue

June 2000

REGULATORY UPDATE

FAA Rewrites Imported Parts Policy

Stop the presses!

The FAA has issued a revision to the new imported parts memorandum that radically improves the document, and protects distributor's rights in the process. The new version of the memorandum is known as Air 200 Policy Memorandum #2000-01A, *Clarification of the Eligibility of Imported Parts for Installation on U.S.-Registered Aircraft* (June 15, 2000). And they did it just in time for ASA's Annual Conference issue!

As many ASA members will recall, the prior version of this Imported Parts Policy Memorandum imposed new documentation requirements that would be impossible to meet for many types of imported class III hardware. It declared that new categories of otherwise airworthy parts would be treated as suspected unapproved parts. It also limited the parties from whom one could buy certain parts, and excluded distributors from this limited list.

The replacement memorandum appears to remedy each of these problems.

History

The FAA issued the Policy Memorandum on March 24. Although the background statement explained that it was meant to clarify the imported

parts regulations, it actually established new policies that contradicted the existing regulations, as well as some other American laws and treaties.

ASA immediately initiated informal contacts with the FAA to try to remedy this obvious mistake. Unfortunately, other priorities at the FAA made it impossible for the FAA to devote resources to this issue. When the FAA made it clear that they were unwilling to revise the memo, ASA filed a Petition for Reconsideration. This was necessary because of the extremely adverse effect that the memo would have on distributors in particular. The same week that this Petition was filed, several key personnel from the FAA met with ASA to discuss the issue (including one from the FAA's Office of General Counsel).

Focus on "Import"

Informal contacts with the FAA suggested that the real issue that originally started this memo was that foreign repair stations with FAA certificates (Subpart 145(C) certificates) were accepting foreign produced parts and failing to treat them as imported parts.

The FAA Imported Parts Rules apply when a part is produced under pro-

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A Message from ASA's President

As you read the cover article, you may wonder why the FAA did not change Policy Memorandum 2000-01 before ASA filed the Petition for Reconsideration.

We don't know either.

At the recent meeting of the Board of Directors, we discussed recently issued guidance from the FAA; we had never seen so many proposed regulations and final guidance documents released in such a short time that were so poorly drafted. The Board debated the issues and very quickly decided that ASA needs to be even more aggressive with government affairs both at the FAA and on Capitol Hill.

During the Board meeting, we discussed Memorandum 2000-01 in particular. The initial written replies from the FAA indicated that they planned to leave the Memorandum in place without changes. This was cause for alarm at ASA: it was obvious that distributor issues had not been considered when drafting the Memorandum, as the plain language could have practically put distributors out of business. Even though the adverse effects were not intended, it was quite clear that the Memorandum was not going to be changed unless

ASA filed a legal action of some sort. The end result of the Board's analysis was the Petition for Reconsideration.

ASA has always had strong working relationships with the FAA; we will continue to build those relationships. Working through informal processes is often the best way to craft effective regulatory policy in partnership with the FAA. Nonetheless, formal actions like ASA's Petition for Reconsideration are sometimes necessary to compel the FAA to comply with the existing law.

In this case, I felt that the FAA was wrong to issue such poor guidance, and that they should have rescinded the policy when we pointed out to them the numerous legal problems associated with it. A new memorandum could have been issued after the improper one was rescinded.

One positive in all of this is that ASA met with Ron Wojner and Frank Paskiewicz at the time that we filed the Petition. They pledged that they would correct the problem, and they issued a revision (canceling the original version) in record time.

Best Regards,

Michele Schweitzer

ASA Annual Membership Meeting

The Airline Suppliers Association, Inc., a Delaware not-for-profit corporation, will hold its annual membership meeting on June 27, 2000, 8:00 am at the Four Seasons Hotel in Las Vegas, NV. If you have questions, please contact Michele Schweitzer or Jason Dickstein at (202) 730-0270.

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The Update Report

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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. Subscription cost is \$120.00 US per year.

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Jason Dickstein 202-730-0270
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President

Board Elections

Two positions on the ASA Board of Directors will be open for election in 2000. Seven persons from ASA member companies were nominated to stand for election.

The nomination period closed on June 9, 2000. In alphabetical order, the seven nominees are:

Terry Bond

M & M Aerospace Hardware, Inc.

Dave Brown

Tiger Enterprises & Trading, Inc.

Bill Cote

The AGES Group, A VOLVO Group Company

William H. Dixon, Jr.

Tracer Corporation

George Slabowski

Mitchell Aircraft Spares, Inc.

Paula Sparks

AVTEAM

Mitch Weinberg

International Aircraft Associates, Inc.

Members of the ASA Board of Directors serve two year terms. Terms on the seven person Board are staggered, so that a portion of the Board stands for re-election each year. The current split is five seats and two seats due to a past mid-term elections to refill a vacant Board seat.

ASA Directors must be employees, officers or owners of an ASA member company. Board members who end their relationship with the ASA-member company are required to forfeit their seat on the ASA Board.

ASA Board members are expected to attend four Board meetings per year as well as participate on telephone

conferences to help guide the Association. Each Board member is responsible for his or her own expenses; they are not compensated for their efforts nor are they reimbursed for their expenses by the Association. Board members remain in frequent contact with the ASA President, and they are often instrumental in developing new programs and membership benefits.

Being a member of the ASA Board is a great responsibility, and ASA has been lucky to have some of the best people in the industry sit on its Board. ASA is looking forward to continuing its tradition of excellent Boards of Directors through this coming election.

Ballots for the Board Election will be distributed on or about July 3, 2000. When they are distributed, they will include biographical paragraphs for those nominees who have submitted biographies. At this time, six of the nominees have submitted biographical paragraphs, which are reproduced here (again, in alphabetical order).

Terry Bond

Vice President – Quality

M & M Aerospace Hardware, Inc.

As Vice President of Quality for one of the premiere aerospace hardware distributors in the world, Terry Bond can contribute a great amount of information and experience the ASA and the Board.

Terry has over twenty years of experience in the fastener/hardware industry, both in the manufacturing and distribution segments. This experience gives him an insight into all facets and needs of the industry.

The entire management team at M&M

Aerospace Hardware is committed to providing quality products and services to the industry. Terry's position allows him the opportunity to interact with the industry globally on a daily basis. Because of his position, he is able to provide ASA with especially valuable input on the problems, needs, requirements and trends in the industry.

Terry has served on several subcommittees of the ASA QA Committee. He has chaired ASA's Fastener Quality Act Subcommittee and ASA's Frequently Asked Question Subcommittee. His career commitment is to contribute to the process of shaping the industry and to work toward improving the quality of the goods and services the industry provides to the world. Terry has pledged that if he is elected to the Board, he will have a positive impact on the future growth and direction of ASA and the industry.

Dave Brown

Vice President – Sales

Tiger Enterprises & Trading, Inc.

No Biographical Paragraph Available. The following description is from the ASA Membership Directory: Tiger is a stockist of expendable material for commercial, regional and military items. Rotables are available for sale lease or exchange. Tiger has the Airmotive, Inc. of Burbank, CA, consignment of 54,000 line items. Tiger aviation distributors also handles fuel cells and Pelican products; flashlights and storage cases.

Bill Cote

Vice President - Quality

The AGES Group, A VOLVO Group Company

Bill Cote has been on the Board of

ASA Board Elections Are Coming Soon!

(Continued from page 63)

Directors of Airline Suppliers Association since 1996. Bill has thirty-eight years experience in the aviation industry, the last ten years with The AGES Group as Vice President of Corporate Quality. Prior to working for The AGES Group, Bill was with Pan American Airways for twenty-eight years and was responsible for the product support control center workload, planning and scheduling in the jet engine repair center.

Bill is a member of the American Society for Quality Control and is a Certified Auditor.

**LTCOL William H. Dixon, Jr., USMC, Ret.
President
Tracer, Corp.**

Born August 2, 1953 in North Carolina, Lieutenant Colonel (LTCOL) Dixon entered active duty June 28, 1971. He was commissioned a 2nd Lieutenant June 4, 1975 following graduation from the U.S. Naval Academy in Annapolis, Maryland. With 14 years of operational flying time, he attained aircraft commander qualifications in 14 different helicopter models and 3 fixed wing aircraft. Other career highlights were as Aviation Maintenance Dept. Head for a 31 helicopter squadron, and Defense Attaché for 9 West African Countries. Educational accomplishments include a Bachelor of Science in Engineering, Master Degree in Business Administration and the Distinguished Graduate of the Marine Corps Command and Staff College.

Mr. Dixon is married to the former Elizabeth Rose Lupcho of Tulsa, Oklahoma, whom he met while serving at the American Embassy in Dakar, Senegal. Mr. Dixon retired from

Active Duty with the Marine Corps on August 1, 1995. At that time he became employed as the Director of Security and Aircraft Operations for Chad, Cameroon and Niger for ESSO Exploration and Production Chad, Inc. The Dixon's have since relocated to Brookfield, Wisconsin, and Mr. Dixon is the president of Tracer, Corp.

**George J. Slabowski
VP Regulatory Requirements & QA
Mitchell Aircraft Engines, Inc.**

George is a member of the ASA Quality Assurance Committee. As a member he has served as the chairman of Part 145 Draft NPRM Subcommittee. Prior to joining ASA, George has worked in the airline industry for the past 41 years.

George has been with Mitchell Aircraft Engines, Inc., since October, 1996. In his current position he is responsible for Quality as well as engine acquisition and sales. He is called upon by various ASA members and major airlines to serve as an engine records resource specialist with regards to Life Limited Parts Traceability documentation. George has established a working relationship with the FAA, both in Washington, D. C. and the Engine Certification Branch in New England.

After working for Pan Am, George worked at AAR from February, 1986 to October, 1996. At AAR he became recognized for his ability to trace life limited parts back to birth and to perform engine records research. He is known on a worldwide basis through his many industry contacts. Through his many contacts he has influenced many major airlines to change the format of their various records docu-

ments that they publish to report the status of engines they were selling. While at AAR he became part of their in-house repair station evaluation team. The team was called upon to perform simulated FAA audits of a repair facility.

He worked for Pan Am from September, 1958 until January, 1986. While at Pan Am, he worked in various Production Control, Warehousing, Receiving and Purchasing positions. In his last position at Pan Am, he was responsible for their Technical Purchasing Department, wherein he was responsible for purchasing technical parts for their worldwide operation.

**Paula Sparks
Vice President Corporate Quality Assurance
AVTEAM, Inc.**

Paula has been involved with the ASA since 1995, when she joined the QA Committee. She is completing her first term as a member of the Board of Directors. Paula has embraced the ASA-100 Quality System Standard as a means of documenting companies' quality systems and instilling good business practices.

Paula began her aviation career in 1976 at Pratt & Whitney Service Center as an engine parts inspector. She held several other positions at Pratt & Whitney including Quality Assurance Technical Planner and Group Supervisor of Technical Records. While employed by Pratt & Whitney Eagle Services, Paula gained ODAR status. In 1995 she accepted a position as Manager, Quality Assurance for P&W Surplus Material Management Organization. While at SMMO, she established the QA Department and created procedures that met the

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New IRS Unit Will Support Our Industry's Tax Needs

Looking for tax help? The IRS wants to serve us better! A newly created section of the IRS will soon be devoted expressly to the needs of corporate taxpayers in the heavy manufacturing, construction and transportation industries.

Housed within the IRS Large and Mid-Size Business Division (LMSB), this section will be headquartered in central New Jersey and will be staffed by a group of tax law specialists with expertise in the areas of air and ground transportation, the aerospace and automotive industries, shipping, construction and real estate. Initially, it will serve nearly 103,000 taxpayers - 1,500 of which are large businesses.

Although the Large and Mid-Size Business Division is meant to service businesses with assets in excess of \$5 million dollars, smaller distributors may find some value in seeking help from the transportation industry specialists. The transportation industry director is Tom Smith.

"These particular industries work in a highly competitive and cyclical global environment that is extremely sensitive to fluctuations in interest rates," explained Smith. "By dedicating a team of experts to respond to their specific needs, we hope to better serve this im-

portant sector of the taxpaying community." Mr. Smith has spent his entire professional career employed with the IRS. He started with the IRS in June 1968, after his graduation from St. John's University in Brooklyn, New York, where he received a bachelor's degree in accounting.

The division is planning to focus on four major areas for improvement of tax administration:

"By dedicating a team of experts to respond to their specific needs, we hope to better serve this important sector of the taxpaying community"

—Tom Smith
Director, IRS LMSB Heavy
Manufacturing, Construction and
Transportation Industries Section

1. More consistent, timely and direct responses from accountable industry managers through the LMSB Organizational Design;

2. Reduced examination duration, costs and burden through enhanced Pre-Filing Guidance and Issue Resolution to resolve issues before forwarding the case to Appeals or Tax Court;

3. Improved efficiency in examination cases through Case Planning and Information Management;

4. Reduced examination costs and burden through Technology – electronic communication and data transfer to reduce paper retention and exchange.

Like the rest of LMSB, the Heavy Manufacturing, Construction and Transportation group will embrace an innovative approach to resolve taxpayer issues earlier and streamline the tax dispute process to ease burdens on business, Smith said. The organization will also assist taxpayers with pre-filing services to help avoid tax disputes.

This new division is part of the IRS plan to restructure itself to meet the needs of the tax-paying public. This plan is in the process of being implemented.

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8130-3s, Mechanics and Changed Products, Oh My!

The seventeenth annual FAA/JAA Harmonization meeting took place in Chicago, Illinois in June of this year. A number of interesting matters were discussed.

Form Harmonization

One of the key issue on which ASA has been working is the harmonization of the airworthiness approval forms among the United States, Canada and the European nations.

Frank Paskiewicz announced the FAA, JAA and Transport Canada have reach an agreement in principle to merge the three airworthiness approval forms (FAA's 8130-3 tag, JAA's Form One and Transport Canada's 24-0078) into a single airworthiness form.

The JAA is required to publish such changes as a Notice of Proposed Amendment (NPA). This next step could take several months to implement and complete so the authorities do not expect to publish the form for use until early in 2001. When it is published, though, it should provide many benefits to distributors who do business in more then one nation throughout Europe and North America.

Mechanics Rules

The FAA previously published a proposed rule for mechanics, known as Part 66. The rule had originally been drafted by an ARAC group, but the group was unable to agree on several important issues. Unable to achieve consensus, ARAC submitted its working documents to the FAA, and the FAA took over the project.

When the FAA issued its proposed Part 66, many comments were filed in opposition to this proposal. A great

many of the standards that would have been changed were viewed as onerous burdens on the mechanic community with little or no redeeming increase in safety.

One of the reasons for this rule was to better harmonize U.S. airmen licensing with European mechanics licensing standards. Harmonization of safety regulations in general is a goal of both the industry and the FAA, so the FAA announced at the Chicago meeting that it would be revisiting Part 66 with the expectation of improving it for reissuance.

Some of the major changes that are likely to be seen in the next revision of Part 66 include recurrent training for mechanics, and additional specialized ratings for mechanics whose expertise is in a narrow, highly specialized field.

Changed Products

The FAA announced at the Chicago meeting that it would be publishing a change products rule.

Under the previous rules and practices, a person who performed a modification to an aircraft usually had to assure that the modifications met the same regulatory requirements that the original product met. Thus, if an aircraft was originally certificated to CAR 4, then the Supplemental Type Certificate (STC) would have to at least meet the requirements of CAR 4, but not necessarily FAR 25, except where the higher standard was necessary to meet safety requirements.

The FAA published a NPRM on the subject in 1997 and has just released its final rule. It requires companies that apply for STCs on older aircraft to meet the current airworthiness standards in all respects, rather than the

standards to which the original aircraft was type certificated. Although some exceptions are written into the rule (e.g. for certain small aircraft), the exceptions appear to impose a heavy burden on the applicant to prove that the prior standards are *more* appropriate than the current standards.

Although meant to improve harmonization, this new rule could have an adverse affect on American companies that modify older aircraft, and also on the distributors that provide them with parts.

JAA Future

As most people know, the JAA is a harmonization body that establishes common regulatory standards that are then adopted by the JAA member nations. This means that standards are not always implemented in a uniform fashion. The European Community has recognized a need to establish a single regulatory body for the entire European Community.

There has been a great deal of debate in Europe about the structure of this new regulatory body. At the harmonization conference, the JAA explained that the new European Airworthiness Safety Authority [EASA] would likely be established with the current JAA as its core. The JAA will therefore rise out of its own ashes to become a regulatory body!

Two levels of oversight would be imposed above the JAA: a Governing Body made up of political appointees representing the European nations and a JAA Committee which would implement the Governing Body's desires through more direct technical and management control of the JAA.

See Next Month's Article for More!

ASA Board Elections

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ASA Quality System Standard and ISO 9002-1994. In 1997 Paula accepted a position with AVTEAM, Inc as Vice President Quality Assurance. Her responsibilities at AVTEAM, Inc. includes enforcing the quality standards for parts received and shipped. She oversees all quality activities including quality control, vendor surveillance, internal and external audits training and information systems. In December of 1998 Paula was promoted to Vice President Corporate Quality Assurance, overseeing quality standards for AVTEAM Aviation Field Services, Inc. and AVTEAM Engine Repair Corp.

**Mitchell Weinberg
President
International Aircraft Associates,
Inc.**

Mitchell Weinberg is the President of IAA, and has 22 years of aviation experience. IAA is a FAA accredited distributor specializing in the resale and product support of commercial jet engines and engine and airframe spare parts and accessories. Mitchell has served on the ASA Quality Committee from its inception working to develop and promote the FAA accreditation program; he also served one term on the ASA Board. Mitchell has been an invited speaker on a variety of quality related-subjects. He

was selected as one of 1998's "40 under 40" business and community leaders by the South Florida Business Journal. Mitchell is looking forward to being given the opportunity to represent the members and support the ASA.

Ballots will be sent to ASA members about one week after the end of the ASA Annual Conference. If you are a member of the Association and you do not receive your ballot by July 7, then please call the Association at (202) 730-0270. Completed ballots will be due back to ASA by July 21, 2000. Results should be announced shortly after this date.

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E-Signatures Become Law

The United States has taken another step into the future of e-commerce with the passage of the Electronic Records And Signatures In Commerce Act (ERSCA). This is a new law that will have a particularly important effect on the sale of aircraft parts through electronic means.

In general, when the law requires a signature on a document, a physical signature must be placed on the document. While the law has permitted auto-pen signatures and stamped signatures, the courts have been mixed about the acceptance of electronic signatures on documents.

ERSCA resolves this lack of uniformity in accepting electronic signatures by declaring that electronic signatures are generally valid for use in complet-

ing a contract or other record that requires a signature. Specifically, ERSCA says:

“with respect to any transaction in or affecting interstate or foreign commerce --

1) a signature, contract, or other record relating to such transaction may not be denied legal effect, validity, or enforceability solely because it is in electronic form; and

(2) a contract relating to such transaction may not be denied legal effect, validity, or enforceability solely because an electronic signature or electronic record was used in its formation.”

The new law will take effect on October 1, 2001 with respect to validity of electronic signatures, and March 1, 2001 with respect to authority to retain records in electronic format.

In response to this Congressional action, companies that produce electronic signature verification/security software and devices have issued press releases and introduced new products designed to assure that electronic signatures are secure – in many cases, more secure than handwritten signatures!

Companies that provide aircraft parts electronic commerce sites through the internet, like ILS and SPEC 2000, have already been developing substantial commerce applications to per-

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mit their users to engage in on-line transactions. ERSCA will provide terrific support for such e-commerce transactions. The statute of frauds requires a company that engages in a sales transaction worth \$500 or more to reduce the agreement to writing in order if the parties wish to protect their rights. Under the old law, a company that wished to protect its rights under the Statute of Frauds needed to exchange a signed paper document. Because of the volume of transactions that occur in our business on a day-to-day basis without exchanging signed, written sales documents (especially for AOGs), many distributors were not taking full advantage of the protections afforded them by the law.

Under ERSCA, the entire sales transaction can take place on-line, and the distributor can still be assured that he is taking full advantage of the protections offered by the commercial laws. "It's a simple change with a dramatic

impact," said House Majority Leader Dick Armey (R-TX). "Just think of all those file cabinets full of purchase orders and invoices that will be no longer needed."

Commercial transactions are not the area of impact for the aviation industry. ERSCA applies to any record related to a transaction in interstate commerce. ERSCA also applies to government records. Although ERSCA permits federal agencies like the FAA to continue to dictate standards or formats for records filed with the agency, ERSCA prohibits an agency from imposing a rule that requires records to be in paper format.

ERSCA is effective for most federal filings as of March 1, 2001, or on June 1, 2001 if the federal agency has begun a rulemaking procedure to address electronic records. Because the FAA is currently working on electronic signature rules, ERSCA will only apply to FAA-regulated documents if the FAA fails to complete the

electronic recordkeeping rule by June 1, 2001.

ERSCA opens the door to the broad acceptance of electronic signatures in every aspect of the aviation industry.

There are several exceptions to ERSCA. For example, electronic signatures will not be valid on wills, nor will they be valid for documents related to hazardous materials. This is especially important to remember with the intense recent focus on hazmat violations.

The House passed ERSCA on June 14 by a vote of 426 – 4 and the Senate passed it on the 16th by a vote of 87 – 0. President Clinton is expected to sign it into law soon; he is a strong supporter of the law, having said that "it will encourage the information technology revolution that has helped lower inflation, raise productivity and spur new research and development."

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duction authority issued by a foreign country, and that part is then introduced into the aviation system that falls under the jurisdiction of the United States. Ordinarily, this means that the part is imported in the common sense, too – it is produced in a foreign nation and brought to the United States for installation on an U. S. type certificated (and U.S. registered) product.

When a part is produced in a foreign nation and then installed in that same nation, it does not cross any national borders. It does not fall into the jurisdiction of the United States Customs Service. But the FAA definition of import has nothing to do with crossing a geographical border. If the part is being installed by a FAA-certificated repair station, even in a foreign country, and if it is being installed on a US registered aircraft (or any other aircraft affected by the FAA's maintenance rules under Part 43 of the regulations), then it is con-

sidered an imported part for the purposes of the FAA's own imported parts regulations.

Some foreign repair stations were getting this issue confused, and this represented the core question to be answered by the Policy Memorandum. As the FAA developed the Policy Memorandum, though, it grew beyond answering this original question. While it is admirable that the FAA was interested in resolving other issues in this single Policy Memorandum, it is unfortunate that the draft of the Memorandum that was published created more problems than it solved

The New Memorandum

The new version of the Policy Memorandum makes it clear that the imported parts acceptance process in the regulations (14 C.F.R. 21.502) is one way, but not the only way, to make a determination concerning airworthiness of a part. Under those provisions, evidence of four elements can

be used as a presumption of airworthiness. The four elements are:

- The part was manufactured in a foreign country;
- The country of manufacture has a bilateral agreement with the United States concerning the manufacture and acceptance of parts;
- The bilateral agreement includes the parts in question within its scope; and
- The country of manufacture issues an export airworthiness approval certifying that the part meets the applicable requirements of the FAA regulations.

Naturally, the FAA reserves the right to make a finding based on the part's technical data that the part does not meet the requirements of the FAA regulations. This could happen, for example, as a consequence of an air-

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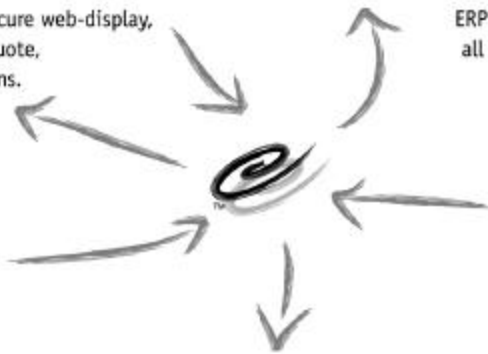
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iQ will revolutionize the way aviation parts are globally traded.

Quantum Control™

ERP software that completely automates all aspects of the parts trading process, including inventory management, quoting, order processing, repair management, invoicing and related accounting.



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New Import Parts Memo Provides More Accurate Guidance

(Continued from page 70)
worthiness directive.

In the original issued version of the Policy Memorandum, parts that did not meet these requirements were considered suspected unapproved parts. This represented a problem, because most class III material does not bear the documentation described in this regulation. JTSO parts commonly do not bear export airworthiness approval certificates. Used parts commonly do not bear such certificates, either.

The new version of the Memo explicitly states that "meeting the requirements of section 21.502 is not a prerequisite for installation of a part on a U.S.-registered aircraft." Meeting the requirements of section 21.502 is one method of determining airworthiness, but the installer is always free to use other methods to assure that the parts meet the requirements of the regulations, and return the product to an airworthy condition. This means that imported parts without airworthiness documentation are not necessarily suspected unapproved parts.

The new Policy Memorandum continues to provide an appendix, but the appendix has been changed from a

limited list of parties from whom one must receive parts, to a list of true examples. To allay any distress caused by the fact that distributors are not listed among the parties in the example, the new version of the Policy Memorandum specifically states that "the examples provided do not exclude distributors from the transaction."

As with any FAA guidance document, there is still language that could be potentially misinterpreted. The appendix lists "required documentation," however it does so in the context of examples of application of the imported parts rule. It should be clear that these "required documents" are only required where a person is trying to take advantage of the program described in the imported parts rule of 14 C.F.R. § 21.502.

The bulk of the industry realizes that there is no legally "required documentation" for new parts – documentation merely represents one tool that supports the airworthiness determination made at the time of installation (albeit a very important tool). Any distributor who encounters problems with this language and with persons who claim that there is genuinely "required documentation" for the in-

stallation of parts should remind such claimants that the regulations do not specify a general traceability requirement for parts. For more detail on the issue of traceability, interested persons should see the articles on traceability in volume six issue twelve and volume seven issue one of the Update Report (now available on the ASA website!).

Conclusion

Because of the timing of this year's Annual Conference, this issue of the Update Report is being published two weeks earlier than usual. The FAA was able to publish their imported parts policy revision in time to make ASA's early publishing deadline.

Frank Paskiewicz signed the new memo on June 15. Paskiewicz is the Manager of the FAA's Production and Airworthiness Certification Division.

The new Policy Memorandum is a vast improvement over the original version. It provides useful guidance on FAA imported parts procedures without changing the rules in an illegal manner, as the predecessor document had done.

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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 and seven are now on-line, as well as the first five issues of this Volume.

UPCOMING EVENTS

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

- June 25-27** **** Airline Suppliers Association**, Las Vegas, NV. Registration forms are now available on our website at <http://www.airlinesuppliers.com>. Call us at (202) 730-0270 for more information!
- Sept. 9-12** * **Air Carrier Purchasing Conference**, Nashville, TN. Call (561) 434-1512 or fax (561) 434-1944.
- Sept. 13-14** **US Valuation Conference**, Falls Church, VA. Call Commercial Aviation Events: +44 (1892) 515364.
- Sept. 18-20** **Speednews Suppliers Conference in Europe**, Toulouse, France. Call (310) 203-9603 for details.
- Sept. 18-21** **European School of Aircraft Economics**, Buckinghamshire, England. Call: +44 (0) 20 7779 8681.
- Sept. 25** * **ASA Workshop**, Riverside Hotel, Fort Lauderdale, FL. Call (202) 730-0270 details!
- Sept. 26** * **ASA Workshop**, Embassy Suites Hotel, Miami, FL. Call (202) 730-0270 details!
- Sept. 28** * **ASA Workshop**, (site TBA) Atlanta, GA. Call (202) 730-0270 details!
- Nov. 5-7** **Regional & Corp. Aviation Industry Suppliers Conference**, Rancho Mirage, CA. Call (310) 203-9603.
- Nov. 6** * **ASA Workshop**, Wyndham Garden Hotel, Newark, NJ. Call (202) 730-0270 details!
- Nov. 9** * **ASA Workshop**, (site TBA) London, UK. Call (202) 730-0270 details!

The ASA 2000 Annual Conference will be held at the Four Seasons Hotel in Las Vegas, June 25 -27. You CAN register at the door. Additional information, including an agenda, is available on the ASA web page.

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