

The UPDATE Report

New Definition of "Parts"

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The FAA's most recent change to AC 43-18 includes a new definition of the term "part" that will be of interest to everyone in the aerospace industry.


The AC defines the term "part" to mean:

Part: For the purposes of this AC, is an article that could be produced under the provisions of 14 CFR part 21 and is eligible for installation on a certificated aircraft without further manufacturing processes.

NOTE: The definition of a part for the purposes of this AC would not include raw materials or repair segments being utilized for the repair or alteration of a part. (i.e., sheet metal stock, sealants, lubricants, raw forgings, or castings, billet material, etc.)

The fact that the definition is limited to only this particular Advisory Circular is an important limit, but it is fairly normal for definitions like this to take on a life of their own. FAA employees will cut-and-paste this definition into other documents over time, and they will also rely on it, in the absence of any other guidance, when trying to decide what is – *and what is not* – a "part."

The definition may become a problem, in that it is self-contradictory. It includes "an article that could be produced under the provisions of 14 C.F.R. part 21;" however the FAA has issued Parts Manufacturer Approvals (PMAs) for sealants and lubricants, which it claims are not "parts."

AC 43-18 is the Advisory Circular that provides guidance for Fabrication of Aircraft Parts by Maintenance Personnel. The most recent change (change two) which added this new definition was issued on June 7, 2011. 



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MESSAGE FROM ASA'S PRESIDENT

THE UPDATE REPORT

is the newsletter of
the Aviation Suppliers
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OUR COMMITMENT

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Dear Colleagues,

As this month's double newsletter details there are a lot of government affairs issues impacting the membership. Several of these projects were discussed at the ASA Annual Conference. Updates on these issues along with other topics will be discussed at the upcoming Quality Committee Meeting on November 12th in Dallas TX. The meeting is open to all members and there is no fee to attend. Advanced registration is required. The agenda will focus on quality and operational improvements. If you are interested in attending, registration information is on the ASA website.

Yesterday ballots for the 2011 Board of Directors Election were emailed to the membership. The election closes on October 4th at 5 pm eastern. There are three open seats and 6 nominees. The ASA Board of Directors among many things, sets the strategic goals for the Association and monitors its financial health.

Robert "Bob" Hogan, an ASA Director since 2008, has chosen to not seek reelection. In talking with him, he was excited for ASA to see 6 nominees for the Board and wanted to allow a new person an opportunity to be on the Board of Directors and to positively impact the industry. Bob has been a valued Director. He worked with ASA staff on marketing, communication, fundraising, government affairs and financial issues. Bob has a keen eye and tremendous industry knowledge. Through Bob's assistance, Pratt & Whitney has been a key financial sponsor and speaker at the Conference and Quality Meeting. As a long time friend of the ASA, I look forward to seeing Bob at our annual conference in Seattle.

The ASA website has the only publically assessable database for communicating stolen parts information. The database allows for an RSS feed. Last week new information was reported about several stolen parts. Also, both Jason Dickstein and Roy Resto are blogging for ASA. The blogs are on the website.

Take care, Michele

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New FAA SUPS Guidance

The FAA has updated the guidance on detecting and reporting suspected unapproved parts (SUPs), which is known as Detecting and Reporting Suspected Unapproved Parts, FAA AC 21-29C CHG 2 (August 17, 2011).

- The advisory circular's update provides new references to various sections in Part 21, to coincide with the October 16, 2009 changes in Part 21 (many of these changes just became effective in April 2011).
- The update makes reference to the new commercial parts definition (part of the 2009 rule change), and clarifies that commercial parts are approved parts.
- References to "fabrication inspection systems" are removed from the guidance (the concept of "fabrication inspection systems" was removed from the regulations in favor of unified standard production quality system regulations for all production approval holders).
- The guidance is updated to reflect changed addresses and telephone contact numbers.

The newest guidance can be found online at:

http://www.faa.gov/documentLibrary/media/Advisory_Circular/AC%2021-29C%20CHG%202.pdf



Obtaining 8130-3 Tags

Several ASA members have contacted us to say that some of the FAA DARs in their area have been told that they cannot issue 8130-3 tags for aircraft parts without full back-to-birth traceability.

ASA is currently in the process of investigating this situation, because in the past we have found cases where FAA directives and requirements have simply been misinterpreted, and we want to identify whether that might be the case in this situation before taking any extreme actions.

One member asked whether this policy is in the Federal Aviation Regulations and also whether the FAA can enforce such a policy. The short answers to those questions are (1) No, this "back-to-birth" policy is not embodied in the regulations and it contradicts existing FAA policy, and (2) Yes, the local office has the ability (but not necessarily the legal right) to nonetheless enforce such a policy.

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Back-To-Birth Traceability

As everyone in the industry knows, back-to-birth traceability is a norm for life-limited parts, but this is not a regulatory requirement - it is a commercial practice. The direct regulatory documentation obligation imposed on installers of life-limited parts is a record of current life status, which comes from the operator's obligations found at 14 C.F.R. § 91.4127(a)(2)(ii).

In 1992, the FAA Chief Counsel's Office issued a FAA Chief Counsel's Letter addressing this subject. The letter explained that the FAA has not imposed any traceability obligation on aircraft parts. It also clarified that this is particularly true for life-limited parts. The Letter explained that back-to-birth traceability would only be required when the recordkeeping practices had been so poor as to make this the only way to demonstrate current life status for a life-limited part.

Later, Congress passed a law requiring safe disposition of life-limited parts and the FAA promulgated 14 C.F.R. § 43.10 to implement this law. Lest anyone think that this had changed the traceability requirements for life-limited parts, a 2009 FAA Chief Counsel's Letter reiterated that the 1992 guidance remains valid: in the FAA's official opinion, back-to-birth traceability is only required when the recordkeeping practices for a life-limited part made a determination of current life status impossible without a review of back-to-birth traceability.

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DAR Obligations

Designated Airworthiness Representatives, or DARs, are people who hold privileges issued at the discretion of the FAA, and they are required to exercise these privileges in accordance with FAA guidelines.

DARs are currently required to follow FAA Order 8130.21G when they issue 8130-3 tags. This guidance limits 8130-3 tags only to those parts produced under FAA production approval. Thus, DARs should verify that that part was produced under FAA production approval; but it is usually possible to do this without a complete audit trail back to the original manufacturer. Other FAA guidance makes it clear that you can use other methods, like reliance on markings, or commercial documents like air carrier verifications of source, as a means of ascertaining that the part is what it purports to be (a part produced under FAA production approval).

DAR Prohibition

There are definitely things that DARs cannot do unless they have specific deviation authority from the FAA (permission that is rarely if ever given). For example, DARs are generally not permitted to issue 8130-3 tags for parts that were not produced under FAA production approval. This means that parts that were produced under foreign production approval and accepted into the U.S. under the terms of a bilateral agreement are usually ineligible for 8130-3 tags (but they are usually tagged under the foreign authority of the nation that issued the production approval).

Parts that were not produced under any production authority, like owner-produced parts or commercial parts, are also usually precluded from eligibility for an 8130-32 tag. This means that parts sold "out the back door" from an uncertificated supplier to a production approval holder are usually ineligible for 8130-3 tags. This is an often-misunderstood point, and the misunderstanding is often based on terminology issues. If a supplier does not hold production approval (and does not have direct ship authority from the production approval holder) then the supplier may be described as the "Original Equipment Manufacturer" ("OEM") because the part originated there. However that OEM may be violating U.S. production regulations if the supplier produces a part that it knows is destined for installation on type certificated products and then sells it without a production approval. The same supplier would be permitted to sell it as a material to the production approval holder and the production approval holder might be able to sell it with an 8130-3 tag if they inspected it and found it to comply with the standards of the approved production quality system.

Some people feel that this does not make sense, because it is the same part - the only difference is the FAA-approved quality assurance system. But whether you like it or not, that is the legal requirement.

This issue is complicated still more by the various exceptions to the general rule (such as standard parts and owner-operator produced parts).

The Bigger Issue

Several of the persons complaining about the new policy have stated that this policy is only enforced in South Florida. 8130-3 guidance is issued by FAA Headquarters in Washington, DC. A local FAA office does not have the legal authority to issue alternative guidance that contradicts national policy and that applies only in that locale and in no other locale. If a local office does issue such alternative guidance, then this raises a difficult situation for DARs. While we might like to think that DARs can ignore an "illegal order," the reality is that DARs would do so at their own peril. A local office has the discretion to terminate a DAR's privileges at will,

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and if they use a pretext to justify that termination, the Federal Courts have said that the validity of that pretext is not subject to legal review because of the discretion given to the FAA by Congress. See *Steenholdt v. FAA*, 314 F.3d 633 (D.C. Cir. 2003). Thus, as a practical matter, if a local office issues alternative policies that contradict national policy, DARs must follow the alternative policy or risk losing their privileges and their livelihood. So even though the local office may not legally change the policy for issuing, an illegal change in policy can be readily implemented through the DAR cadre.

This is a bad time for unusual limits on 8130-3 tags. The President has announced a plan to double US exports over the next five years and ASA has been working with the International Trade Administration and other agencies to try to help make this a reality through export education and through the creation of international networking opportunities.

The FAA has also signed BASAs that make 8130-3 tags a prerequisite for export. The BASAs take 8130-3 tags that once were optional and make them requirements in order to engage in export transactions. Local limits on the issuance of 8130-3 tags that go beyond national policy threaten our trade balance, and also threaten American jobs at a time of already high unemployment.

Because of the FAA's discretion to terminate a DAR for any reason, DARs are practically unable to fight against bad or illegal policies, even when they are being used as pawns to implement those policies. Therefore, it often falls on trade associations like ASA to address these concerns.

Conclusion

If the rumors are true, then this situation is a very serious one. Before you panic though, remember that the issue is still under investigation and it might not be as bad as it sounds.

ASA has asked its affected members to further investigate and find out if the limits on 8130-3 tags have been merely misinterpreted. Anything that anyone in the industry could provide us, such as FAA training materials, FAA memos, or even FAA emails explaining this new policy, would be very useful in permitting ASA to address this concern with the appropriate FAA personnel. ✈️

ASA Members –

Don't Forget to **VOTE!**

A ballot for the ASA Board of Directors election was emailed to you. Voting deadline is 10/4/2011 at 5 pm eastern. If you need another ballot emailed to you contact ASA at 202-347-6899.

VOTE
☒ YES
☐ NO



EASA Begins Work on SMS

The European Aviation Safety Agency (EASA) has formally begun the process of implementing Safety Management System (SMS) regulations. Past practice has shown that certificate holders “flow-down” a portion of their regulatory obligations to distributors, therefore making SMS and the manner in which it is implemented internationally an important issue.

EASA issued the Terms of Reference (TOR) for task number MDM.055 on July 18, 2011. This task anticipates the creation of adequate rules and guidance material to permit EASA to implement a set of SMS rules.


The Terms of Reference do not specifically explain to whom the SMS rules created under this project would apply – they merely mention some of the parties to whom ICAO has recommended apply it (e.g. Part 145 organizations). This is a more important omission than some people may understand, and it provides EASA with the ability to dynamically change the scope of application as necessary during the course of the rulemaking project without amending the TOR. Under current ICAO recommendations, SMS should apply to air carriers, repair stations, manufacturers and airports. In the United States, the FAA made the decision to create two different SMS rules – one for airports, and then a second one for air carriers that is intended to be later applied to repair stations and manufacturers. EASA has said that it is amending Commission Regulation (EC) No 2042/2003 of 20 November 2003. This regulation applies to design and production organizations as well as maintenance organizations (but not to air carriers). EASA is clearly leaving itself open to any reasonable implementation strategy.

The final shape of SMS rules in EASA will be important to distributors who do business with both Europe and other parts of the world, because the data requirements of SMS could lead to reporting requirements from distributors to their SMS-compliant customers.

EASA intends for the internal EASA task group to do the following, as part of this task:

- Review the existing rules and advisory guidance;
- Adopt provisions for application for, and processing of, alternative means of compliance, to support standardization;
- Implement management systems requirements to support compliance with the relevant ICAO standards on SMS;
- Implement in the SMS standards new guidance on human factors for maintenance;

This SMS project will be worked internally within EASA, although EASA has reserved the right to call informal meetings with industry or National Aviation Authorities for additional feedback. This internal project mechanism is consistent with the process recently used by Japan to create its SMS rules for repair stations (they offered the proposed rules for notice and comment but did not otherwise seek input from the international community). This is different from the FAA's approach in the United States in that the FAA formed an Aviation Rulemaking Committee (ARC) which is made up of industry and FAA personnel. The FAA takes advice from the ARC on how to formulate the air carrier SMS rules.

EASA has a very aggressive timetable set for the SMS project. They expect to issue a Notice of Proposed Amendment (NPA) to seek public comment in the second quarter of 2012. 

EASA Examines Distributor Oversight

EASA continues to work on developing a distributor oversight program. At present, one of the ideas being examined is to establish a set of criteria for a distributor's quality assurance system (similar to the elements found in FAA AC 00-56 and CAAC AC 21-58). This would give 145 organizations a basis for auditing such facilities. EASA is open to "other-party auditing" structures, so long as these criteria are sufficiently similar to the criteria being used by existing third-party auditing programs (like the existing distributor accreditation program), 145 organizations should be able to rely on the existing distributor accreditation programs in lieu of performing their own live auditing.

Before EASA existed, the Joint Aviation Authorities (JAA) had published TGL 46. TGL 46 provided a list of qualities to look for in a distributor's quality system. It was based on the quality system elements published in the original version of AC 00-56. The Europeans find that TGL 46 is an attractive basis from which to work, because it is a European product.

The next meeting of the EASA Rulemaking Committee for Distributor Oversight is planned for September. ASA plans to point to some of the changes that were made in AC 00-56A (after the publication of TGL 46) as a guide point to establish changes in the minimum standards. Most of the AC 00-56A changes to the elements were based on real experience that showed that some of those elements needed to be changed.





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Boeing's Environmental Initiatives

On July 19, Boeing's Vice President of Environmental, Health and Safety, Mary Armstrong, was a keynote speaker at the 2011 ASA/AFRA Conference.

Armstrong spoke at a joint session of the memberships of both the Aviation Suppliers Association (ASA) and the Aircraft Fleet Recycling Association (AFRA). Her speech made it clear that Boeing is acting as a leader in aviation's efforts to achieve better environmental performance.

Boeing has been taking steps to reduce energy use and the production of hazardous materials. This has led to significant measurable reductions in both areas at Boeing. Boeing is now working on reducing the waste-to-landfill to zero. They have already achieved this at four locations. In South Carolina, the Boeing facility has gone to 100% renewable energy, including a ten acre solar roof and is using biomass for remaining energy needs.

Armstrong discussed Boeing and AFRA's efforts at lifecycle environmental footprint reduction. The aerospace industry has taken a cradle-to-grave approach, trying to minimize environmental footprint throughout the aircraft's lifecycle.

Armstrong explained that for Boeing, environmental performance starts with design. Boeing is focused on increasing the use of recycled materials in products and in tooling. They are designing their Aerospace products to reduce or eliminate the use of hazardous materials and the generation of hazardous wastes.

They are switching to non-chromated paints and primers for their aircraft. This is a significant change from traditional coatings that used chrome, which is a hazardous material.

Boeing is participating in a new group known as the International Aerospace Environmental Group. This group is made of aerospace manufacturers working together to share best practices that will permit them to achieve better environmental performance. One of their goals is to create a consistent process for suppliers to list their chemical bill of materials. This will provide the framework against which the manufacturers can reduce their adverse environmental impact.

Armstrong explained that aviation produces about 2% of the global carbon emissions, if you take into account all of the aviation-related sources. Therefore the industry feels compelled to focus on control and limitation of carbon growth. The 787 and 747-8 aircraft will both be cleaner and quieter. The 787 is designed to reduce carbon emissions by 20% and the 747-8 should reduce carbon emissions by 16%.

Boeing is testing biofuels in an effort to identify sustainable biofuels. By sustainable, they mean crops that will not compete for water or land with food crops. They have been engaged in test flights since 2008, and are identifying fuels that will work as well as or even better than pure Jet-A. They are working to develop 50/50 blends and the standards for this have been recently approved by ASTM.

Boeing is also working with the FAA on the development of modern air traffic management systems. Implementation of improvements in this area could cut 12% or more off of aviation's carbon emission total.

Boeing wants to be an environmental leader, so the next step, which Boeing and AFRA are both taking together, is to undertake a cradle-to-cradle approach. This means thinking about where the recycled materials from an aircraft will go, and undertaking strategies that will permit the aviation industry to recover recycled aerospace materials for use within the industry.

Boeing is working with AFRA and ASA to develop better strategies for reclaiming materials.

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Armstrong praised AFRAs BMP efforts. She explained that she expects the draft Recycling BMP to lead to an effective mechanism for improving effectiveness and efficiency in recycling of aircraft materials.

Between 2010 and 2030, the aviation industry is expected to add 33,500 new airplanes and half of these will replace existing aircraft. In the next ten years, the industry expects a significant number of aircraft retirements all over the world. These older aircraft will yield to more economical and environmental aircraft, but their retirements create a recycling challenge.

Boeing is engaged in a number of pilot projects for environmental improvement. These projects include:

- Recycling carbon fiber, for interior components, for non-structural applications and for tooling
- Recycling interior materials, like aircraft carpet to reduce landfill materials
- Boeing is working on technologies that will permit creation of carpet tiles from recycled carpet. There is a pilot project for testing these carpet tiles with Southwest Airlines right now.
- Boeing is asking its supply base partners to adopt environmental management systems similar to ISO 14001 (although they need not be registered to ISO 14001). Boeing expects to address environmental responsibility, in the future, as an element to consider for awarding contracts to partners.

One thing that Armstrong did not mention in her speech is that Boeing is one of the founding members of AFRA, and AFRA's goals include a variety of environmental and recycling efforts. Through AFRA Boeing has achieved some significant advances by publishing Best Management Practices related to aircraft materials recycling.

Boeing is expanding its understanding and its collaborations in order to create new value for customers and for the environment. 

Industry Predictions and Surplus Parts Sources

ASA members who left before the end of the AFRA sessions at the end of this year's Annual Conference missed some great data on end-of-life (EOL) aircraft. EOL aircraft include the aircraft that are parked and that in many cases are available to be disassembled for spare rotatable parts, which may be overhauled and then returned to service. At the 2011 AFRA Conference, Stuart Rubin discussed some of the economic factors affecting the current aviation marketplace. The purpose of this discussion was to permit some predictions about the future of certain aircraft types.

- After a rebound in passenger traffic in 2010, he is expecting a drop in passenger traffic in 2011. This drop will affect both traffic (revenue passenger miles) and load factor.
- Rubin explained that in 2010, the average load factor for US passenger aircraft was 81.6% while the first four months of 2011 have yielded an average load factor of only 78.2%.

Rubin concluded that increases in fuel costs are causing the discontinuation of use of smaller transport category aircraft (like 50 seat jets). He feels that it is just too expensive to operate these smaller aircraft relative to the potential revenue that can be realized from their operation. This suggests a potentially diminishing market for parts to support such aircraft.

Rubin examined a series of facts about "parked" aircraft (those that are "parked" in the desert).

- There has been a huge growth of parked single aisle aircraft over the past decade. After 2001, the number of parked single aisle aircraft spiked from under 700 to over 1500. Today there are over 2500 parked single aisle aircraft. Many of these aircraft will never come back into service.


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- American's announcement of orders for 460 aircraft make it clear that we will be seeing more MD-80s parked as those aircraft are replaced in the American Airlines fleet.
- The majority of the parked Airbus narrow bodies (86 of 119) are A320s with older engines that are at risk of not returning to the market regardless of market rebound.

Rubin used these data points to examine some aircraft valuations. He noted that larger aircraft tend to be more successful in holding their value for longer periods, as compared to smaller aircraft.

- 737-300 aircraft reflect an example of an aircraft model that may not come back from the desert, once the aircraft is parked. The part-out value for these aircraft tends to range between \$2.3-\$4.8 million with much of that value coming from the engines (range tends to depend on age of the aircraft). Monthly lease rates for this aircraft have been falling dramatically which is another sign of lack of interest in operation of these aircraft.
- Among A320-200 aircraft, the younger aircraft appear to be holding their value better than their older corollaries. For example, comparing values of aircraft from 1Q2008 to 1Q 2011, you can see the following diminutions in value: \$13.2 to \$6.8 million (1990 vintage – 48% decrease in value) \$19.4 \$11.9 million (1995 vintage – 39% decrease in value) \$27.0 \$18.4 million (2000 vintage – 32% decrease in value).

What does this mean for ASA members? It means that there is clearly a strong, continuing market for A320 parts and disassembling parked A320s can be an effective way to obtain surplus parts for overhaul and sale. Among those aircraft, newer models appear to be holding their value better than older models but this also means that anyone seeking to part-out such an aircraft must be certain that they can create a value stream from the surplus parts sufficient to justify the investment. 

Senator Inhofe Introduces a "Pilot's Bill of Rights"

The FAA civil penalty and certificate action scheme can be both complicated and bizarre to the uninitiated. What do you think might happen if a member of Congress had to negotiate the FAA or NTSB rules of practice?

Well, recently Senator Inhofe was accused by the FAA of pilot error when he allegedly landed his aircraft on a closed runway last year. He navigated through the system and retained his pilot's license.

His encounter with administrative law has clearly left its mark on him. Senator Inhofe has introduced new proposed legislation, [S. 1335](#), that would provide a "Pilot's Bill of Rights." Under the proposal, airmen accused of offenses would get some additional rights,


- pilots would be entitled to relevant air traffic information (many attorneys have complained that exculpatory information is routinely erased);
- the right to appeal matters to the Federal District Courts (and not just the FAA/NTSB system);
- on appeal, the court would grant deference to FAA legal interpretations but would not be bound by them (NTSB is bound by FAA interpretations of law, no matter how contradictory they may be);
- in an emergency case, the reviewing court would have the power to provide independent review of the emergency decision

This Bill of Rights could be useful to pilots and mechanics accused of FAA violations. It could also be improved a bit. For example, independent review of emergency decisions is not the problem. The problem is that the review of emergency actions is only permitted to be based on the allegations of the FAA. The FAA attorneys are pretty smart - smart enough to know that if they allege fraud then they can justify an emergency hearing - even if the items of proof don't really support an allegation of fraud. Thus, a true reform would permit

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an evidentiary hearing on the emergency charge (like a hearing for a preliminary injunction) and would impose the burden of proof on the FAA.

And in a perfect world, the rights should also be extended to anyone else facing a FAA/NTSB hearing. 

FAA to Review Its Procedural Rules for Their Effect on Small Entities

The FAA is required to perform periodic reviews of its rules to make sure that they minimize the significant economic impact on small entities. This requirement comes from section 610 of the Regulatory Flexibility Act.

The purpose of the review is to determine whether the rules should be continued without change, or should be amended or rescinded, in order to meet the stated objectives of the applicable statute while also minimizing any significant economic impact of the rules upon a substantial number of small entities. The acronym used for “significant economic impact on a substantial number of small entities” is SEIOSNOSE (yes, that is the actual acronym used by the Federal Government in official publications).

The FAA has divided its rules into 10 groups – each representing about 10% of the FAA’s rules. This means that it takes the FAA 10 years to review its rules, so there is a significant opportunity to comment on this process for each rule once every ten years.

The FAA uses a two-step, two-year process for reviewing its rules. During the first year (the “analysis year”), the selected rules will be analyzed to identify those with a SEIOSNOSE. During the second year (the “review year”), each rule identified in the analysis year as having a SEIOSNOSE will be reviewed. The purpose of the review is to determine if the rule should be continued without change or changed to minimize impact on small entities.

The results of the reviews are published in the Regulatory Agenda in the Federal Register. For example, for the repair station rules found in Part 145, the FAA “conducted a Section 610 review of this part and found no SEIOSNOSE.” Many repair stations might be surprised to learn that Part 145 does not impose on them a significant economic impact.

In the upcoming year, the FAA plans to analyze some significant rules. The 2011 year list includes:

- 14 CFR part 189—Use of Federal Aviation Administration Communications System
- 14 CFR part 198—Aviation Insurance
- 14 CFR part 1—Definitions and Abbreviations
- 14 CFR part 3—General Requirements
- 14 CFR part 11—General Rulemaking Procedures
- 14 CFR part 13—Investigative and Enforcement Procedures
- 14 CFR part 14—Rules Implementing the Equal Access to Justice Act of 1980
- 14 CFR part 15—Administrative Claims Under Federal Tort Claims Act
- 14 CFR part 16—Rules of Practice for Federally Assisted Airport Enforcement Proceedings



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TSA Security Rule for Repair Stations (Status Update)

Yes, TSA is still working on its Repair Station Security rule.


The 2003 FAA Reauthorization called for the Department of Homeland Security (DHS) to develop a program that ensures security of domestic and international aircraft repair stations.

TSA published their Notice of Proposed Rulemaking (NPRM) on Repair Station Security on November 18, 2009. The comment period closed on February 19, 2010, and they received over 300 comments.

In their past testimony to Congress, TSA has recognized:

There is no “typical” repair station. They take many forms depending upon the type of maintenance performed, number of employees, and location. Some repair stations are on airport premises, but many are located in industrial parks nearby. Work can range from major aircraft overhauls to repairing radios or sewing seat cushions.

This has made the regulatory process particularly difficult for TSA, as they have attempted to develop a rule that meets Congressional intent while at the same time recognizing the variety of operations (and of threat levels) that exist.

The TSA rulemaking team is still working on the comments and the Final Rule is anticipated for later this year, according to government sources as well as the Unified Agenda. 

ASA Blog

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- **Cavu Café:** Royboy's Prose & Cons *and the*
- **ASA Web Log** by Jason Dickstein

ACPC Keynote Explains Delta's Distributor Priorities


This year's ACPC keynote speaker was Stephen E. Gorman, the Executive Vice President and Chief Operating Officer of Delta Air Lines. Gorman explained that for Delta, the total cost of ownership (TCO) is based on cost quality and delivery. They expect their highly effective suppliers to provide this TCO. Gorman explained that a highly effective supplier needs to perform.

The Air Carrier Purchasing Conference (ACPC) hosted over 1700 guests in Atlanta this year – over 1400 of them were suppliers. Thus, Delta's ideas about the supply chain were an important topic at the Conference.

Delta's position is that the air carrier and its supply chain are linked together. Gorman explained that this relationship starts with delivery on a commitment.

Communication and transparency are important to a successful business relationship. As a tool to support communication and transparency, Gorman explained that Delta is committed to its Supplier Performance Management (SPM) system. The SPM lets suppliers know what is important to Delta. The SPM has clear metrics, and it provides regular feedback to Delta suppliers. The SPM lets the suppliers know on a regular basis whether they are meeting Delta's expectations.

The SPM lets Delta give suppliers credit for good performance and it also reveals opportunities for improvement. Gorman explained that Delta is committed to working with its effective suppliers to have honest communication and to work through issues cooperatively.

Delta is also looking for suppliers that are flexible within their business models to permit the supplier to respond to Delta's changing needs during both strong markets and weak markets. 

CALENDAR OF EVENTS

ASA 2012 Annual Conference

June 24-26, 2012Grand Hyatt Hotel, Seattle, WA

Industry Events

October 26-28, 2011AP&M EXPO USA – Hollywood, FL

CONTACT US!

ASA Staff is always interested in your feedback. Please contact us with any comments or suggestions.

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