

# The UPDATE Report



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## Exports Documents Must Now be Filed Online

This summer, the U.S. Census Bureau issued a new regulation that requires all Shipper's Export Declarations (SEDs) to be filed online, instead of filing them as paper forms. Previously, either online-filing or paper form filing was permitted.

The mandatory online filing requirement for export information can be accomplished through the Automated Export System which is found at <http://www.aesdirect.gov>. This will apply to all shipments where a SED is currently required.

ASA members who are exporting parts will be responsible for the online filing of the SED and for providing to the carrier proof of online filing of the SED. This proof is usually provided by annotating the bill of lading, air waybill or other commercial loading document with the proof of filing citations or with appropriate exemption citations.

The online filing responsibility can be delegated to an agent, but the exporter (the "Principal Party in Interest") remains responsible for providing appropriate information to the agent, and for assuring the accuracy and timely transmission of all the export information reported to the government.

The new rule goes into effect as of September 30, 2008. 

## New FAA Guidance on SUPs Processing

The FAA has published new guidance on how to process reports of Suspected Unapproved Parts (SUPs). [FAA Notice 8120.16](#), "Processing Reports of Suspected Unapproved Parts," was published July 15th.

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## MESSAGE FROM ASA'S PRESIDENT

Dear Colleagues,

It was a pleasure to see so many members at the ASA Annual Conference. ASA Attendees felt that the meeting was extremely beneficial and filled with valuable information. Education, training, networking, business development and fun was had by all. The Annual Conference starts off with the QA Committee meeting which was attended by 70 people.

One of the keys to a successful association is a strong base of volunteers. ASA has been fortunate to have a strong and diverse group of companies at the core of the Quality Assurance Committee (QAC). The QAC leadership consists of a Chair and Vice-Chair person. Dan Von Flue, Western Air International, has been the Chairman of the QA Committee for 2 years and prior to that the Vice Chairman. Dan has taken the time to work with ASA in an effort to address the needs of the quality personnel at distributor companies and to foster group participation to enable consensus agreement. Dan has shown skillful leadership in keeping a committee on track. ASA and the QA Committee thanks Dan for his contributions. The QA Committee's new Chairperson is Chris Anderson of MidAmerican Aerospace and Vice Chairperson is Jason Lewis of M&M Aerospace Hardware. Dan has worked to continue the strength and breadth of the QA Committee and Chris and Jason will continue to strive to meet and exceed the needs of the quality personnel at distributors and the industry. The next QAC meeting is November 14-15, 2008 in Dallas.

One of the highlights of the conference is the presentation of the Edward J. Glueckler Award. This award is presented in recognition of outstanding commitment, dedication, and contribution to the Association and the aviation industry. The 2008 recipient is Bruce Sechler. Bruce's leadership within ASA and throughout industry made him a perfect choice for the Glueckler Award. Sechler has had a positive impact on the association, through his ability to share his extensive technical knowledge and build personal relationships with our global members.

We will be announcing the upcoming workshop schedule and 2009 annual conference shortly.

Take care, Michele

### THE UPDATE REPORT

is the newsletter of the Aviation Suppliers Association.

### OUR COMMITMENT

ASA is committed to providing timely information to help members and other aviation professionals stay abreast of the changes within the aviation supplier industry.

The **UPDATE Report** is just one of the many benefits that ASA offers members. To learn more about our valuable educational programs, please contact ASA.

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The reason this revised guidance is necessary is because the SUPs office (AVS-20) was closed over a year ago, but there still remains considerable confusion about how the SUPs process is supposed to function under the post-AVS-20 protocols. The notice clarifies for the field offices the way that the SUPs investigation system is now supposed to function.

The Notice explains how to open and conduct a SUPs investigation. It includes the important guidance "Do not attempt to seize parts or require parts to be surrendered." This guidance has been breached in the past by FAA employees who were apparently unaware of the fourth amendment's requirements associated with search and seizure. Adherence to this guidance, though, helps to make sure that parts under investigation that might turn out to be "approved parts" do not become "unapproved parts" by virtue of having been removed from a quality system before they are eligible for appropriate approval.

In the past, relations with law enforcement had been ably managed by AVS-20. But now that AVS-20 has been closed, better guidance for field offices on interaction with law enforcement was necessary. That guidance is provided in this Notice.

The Order can be found at [http://fsims.faa.gov/wdocs/orders/8120\\_16.htm](http://fsims.faa.gov/wdocs/orders/8120_16.htm).



## No More Foreign Repair Stations?

Is the FAA out of the business of issuing Part 145 Repair Station certificates to repair stations located outside the United States?

Aircraft bearing US airworthiness certificates are required to be maintained by holders of FAA-issued maintenance certificates (e.g. repair station certificates, A&P mechanics certificates, etc). There is an exception for certain Canadian certificate holders, but otherwise the FAA rules do not permit maintenance done purely under a foreign certificate.

US air carriers flying to foreign airports need line services at the foreign airports. Many air carriers obtain other maintenance services outside the United States. For some foreign-made components, the only qualified repair stations are outside the United States. Some of the owners of these foreign repair stations are large US-based aerospace companies who have seen a need to establish foreign maintenance bases. So the US marketplace relies on foreign repair stations in order to keep the global aviation system running smoothly.

FAA Notice 8900.47, entitled "Foreign Repair Stations Initial Certification after August 3, 2008," was published July 21, 2008. That guidance reminds FAA employees that they are no longer permitted to issue foreign repair station certificates as of August 3, 2008. The reason for this is because TSA was ordered by Congress to create repair station security rules. When TSA failed to comply, Congress decided to punish

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the industry by restricting foreign repair station certificates.

It may be awhile before security rules are in place. TSA has not yet even issued a Notice of Proposed Rule Making, so a final rule could be years away. Once the TSA security rules are issued, the law will give TSA only 6 months to conduct audits of all foreign repair stations, and it will further prohibits the FAA from certifying any new foreign repair stations, until the TSA audits have been completed.

Most foreign repair station certificates expire periodically and must be reissued by the FAA. For these existing repair stations, there is an exception in the law. As foreign repair station certificates expire, they WILL be renewed (subject to continued eligibility). The FAA will also continue to process foreign repair station certificate applications received by August 3, 2008. But applications received on or after August 4 will not be processed until (or if) the TSA rule is published.

The FAA notice may be found at [http://fsims.faa.gov/wdocs/notices/n8900\\_47.htm](http://fsims.faa.gov/wdocs/notices/n8900_47.htm). 

## Why Disclose a Government-Sourced Part?

The ASA Quality Assurance Committee met at the ASA Annual Conference in Las Vegas on July 26. One of the issues raised was the language in ASA-100 section 10(B)(2) that recommends the disclosure of source when a part has come from a government or military source. The original version of the standard addressed parts that have come from US government sources, and the language was expanded to include parts sourced from any government.

The change represented a recognition that the aircraft parts market is global in nature, and that many governments are now in a position to be able to sell their surplus aircraft parts.

But many people, both during the meeting and after, asked what the original purpose was for such disclosures. One member even asked whether the purpose of the language was to inhibit distributors from purchasing military surplus parts. The purpose of the language was not to inhibit the purchase of government surplus materiel; in fact the purpose was to better facilitate transactions in such materiel by supporting a paradigm under which documentation for such materiel is obtained and passed along to subsequent purchasers.

In version 3.5 of ASA-100, section 10(B) reads:

- B.** Additionally, a certified statement disclosing the following should be issued about the material or parts, certifying that they were or were not:
  - 1) subjected to conditions of extreme stress, heat or environment,
  - 2) obtained from the Government or military services,

At its core, the recommendation found in subsection 10(B)(2) provides that a distributor should provide notice when a part is obtained from a government source. This leads to the question, "What is it about a government source that makes it necessary to demark that source?"

The reason for providing notice when a part has come from a government (including a military) is because ICAO has distinguished civil aircraft from public aircraft. Public aircraft are aircraft operated by governments, and under international law they are not required to be maintained to normal civil aircraft standards. As a consequence, a part that has been maintained under public aircraft standards, like a rotatable, may have been maintained in a way that makes it unacceptable for future use on a civil aircraft.


Aircraft parts that have been sourced through a government agency are not necessarily unacceptable. For example, new parts that have been properly stored and handled may be acceptable for use on civil aircraft.

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The United States government has, in recent years, encouraged its federal agencies that operate civilian-type aircraft to voluntarily operate and maintain those aircraft to the standards established by the FAA, despite the fact that those aircraft are technically public, and not civil, aircraft. The US military has entered into an agreement with the FAA such that when it surpluses Flight Safety Critical Aircraft Parts (FSCAP), it will surplus them with adequate documentation for determining airworthiness for civil aircraft installations (and if such documentation is not available then the FSCAP will not be released to the marketplace as surplus). These initiatives are establishing a foundation for permitting analysis of US government-sourced aircraft parts - an analysis that permits them to be assessed for the current airworthiness condition relative to civil aircraft uses.

By disclosing the source of the parts, an ASA member gives the customer an opportunity to make an informed decision about the (potential) airworthiness of the parts. The disclosure warns the buyer of the need to analyze the documentation; and recent trends in documentation can often permit the buyer to be able to make such a determination despite the fact that the part could have been (or was) operated on a public aircraft.

This sort of a disclosure should NOT be considered to be a bar to any transaction – it should merely alert a buyer or eventual installer to the need to assure (at the time of installation) that either (1) the part has not been maintained under public aircraft standards that diverge from civil aircraft standards, or (2) if the part has been maintained under public aircraft standards that are different from civil aircraft maintenance standards, then those differences have not caused the part to be unairworthy for civil aviation purposes. 

# 2008 Hazmat Training



**SEPTEMBER 23-24, Kansas City, MO**

To register, please visit our Web site:  
[www.washingtonaviation.com/hazmat](http://www.washingtonaviation.com/hazmat)

Or contact us by phone:  
202-347-6899

## ***Who should attend ?***

This course is intended for all individuals who may come into contact with, or make decisions that affect hazardous material (Hazmat) or dangerous goods (DG).

## ***Why should I attend ?***

The US Department of Transportation (US DOT) requires that all individuals engaged in handling hazardous materials must be trained at least once every 3 years. Air Carriers are required to be trained annually, and IATA requires training every 2 years.

This course will focus on shipments of Dangerous Goods under the IATA Dangerous Goods Regulations (a field manual that includes the ICAO technical instructions). This course will also address matters arising out of United States' regulations that are not covered by IATA.

All attendees receive a Certificate of Training stating 49 CFR 172 Subpart H training requirements have been met (upon successful completion of all attendance and testing requirements).




## Get Involved in ASA-100!

Did you find the recent changes to ASA-100 intriguing? Do you have ideas that you think will make ASA-100 stronger? Do you think that some of the changes could have been worded more clearly? If you answered “yes” to any of these questions, then you need to participate in the ASA Quality Assurance Committee.

The ASA Quality Assurance Committee is responsible for maintaining the ASA-100 standard. All changes in ASA-100 come from the Committee, and are then ratified by the ASA Board. Participation in the Committee gives you a great opportunity to see how the process works, and to participate in the ASA-100 process.

The next meeting of the Quality Assurance Committee is set for November 14-15 in Dallas, TX. Committee participation is open to any ASA member company. Under the rules of the Committee, you must have attended two of the prior three meetings in order to retain the right to vote, but even without voting powers, participants are welcome to participate in and influence the discussions.

People who are not employed by an ASA-member company but who are interested in participating in the Committee meetings should contact the Association to request an invitation to attend. Such invitations are issued at the discretion of the Association. 


## Last Chance for Hazmat Training

TSA and the FAA both continue to investigate the industry for hazmat training records.

ASA will hold its last hazmat training session of this year near Kansas City, Missouri on September 23-24. The class will take place at the headquarters of the Aircraft Electronics Association (we held one at ASA Headquarters earlier this year).

This two-day class focuses on the hazardous materials that the industry is likely to see among aircraft parts. Successful graduates of the course will receive a training certificate and will be qualified under the US legal requirements to ship hazardous materials.

US law requires that anyone who makes decisions that affect the safe transportation of hazardous materials be trained. There are many aircraft parts that incorporate ‘hidden’ hazmats. A mis-shipment of just one aircraft part can easily lead to a FAA fine of over one hundred thousand dollars (\$100,000), because of the way that the fine system assigns civil penalty values. In our industry, every person who ships aircraft parts, or who supervises the shipment of aircraft parts, really needs to receive this training to assure that they remain on the right side of the law.

Hazmat training is necessary every three years. If your training certificate is more than three years old, then please make sure you attend the training session in September! 

## FAA Changes Unapproved Parts Definition

Thought you knew what an unapproved part was? Think again! The FAA has changed the definition of ‘unapproved parts’ in its latest unapproved parts guidance.

On July 22, the FAA issued ‘change one’ to Advisory Circular 21-29C, Detecting and Reporting Suspected Unapproved Parts. Change one alters the definition of an unapproved part to remove several categories that used to be considered ‘unapproved.’

The old definition included parts that have been maintained or altered and then approved for return to service by someone who was not authorized to perform such services. In a surprising move, this has been eliminated from the list of parts that are presumptively unapproved. While this represents a surprising move on the part of the FAA, it makes a great deal of sense. Such work often represents a violation of the FAA’s Part 43 regulations that apply to maintenance, but

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if the work was performed correctly notwithstanding their lack of qualification, then another (properly qualified) party may be able to inspect the part and find that it is in an airworthy condition. A good example of where this might happen is the case of a repair station that has the right personnel, housing, equipment, materials and technical data to perform the maintenance work, but that has failed to correctly update its ratings, operations specifications and/or capabilities list so that the work represents a technical violation of Part 43. In light of the likelihood that the work was done correctly, there is a strong possibility that such a part can be examined and found airworthy,

The new definition also eliminates from consideration parts that have been approved for return to service following maintenance or alteration and are subsequently found not to conform to approved data. This prior definition characterized parts in need of repair due to normal wear and tear as unapproved parts, which was not useful to the FAA's mission to identify and eliminate safety problems related to parts.

**The Old Definition**

**m. Unapproved Part.** A part that does not meet the requirements of an “approved part” (refer to definition of “Approved Parts” in paragraph 4b). This term also includes parts improperly returned to service and/or parts that may fall under one or more of the following categories:

- (1) Parts shipped directly to the user by a manufacturer, supplier, or distributor, where the parts were not produced under the authority of (and in accordance with) an FAA production approval for the part, such as production overruns where the parts did not pass through an approved quality system.

**NOTE: This includes parts shipped to an end user by a PAH's supplier who does not have direct ship authority from the PAH.**

- (2) New parts that have passed through a PAH's quality system which are found not to conform to the approved design/data.

**NOTE: Do not report as a SUP parts damaged due to shipping or warranty issues.**

- (3) Parts that have been maintained, rebuilt, altered, overhauled, or approved for return to service by persons or facilities not authorized to perform such services under parts 43 and/or 145.

- (4) Parts that have been maintained, rebuilt, altered, overhauled, or approved for return to service which are subsequently found not to conform to approved data.

**NOTES:**

- 1. This would include parts produced by an owner/operator for maintaining or altering their own product, which have been approved for return to service, and found not to conform to approved data.
- 2. This does not include parts currently in the inspection or repair process, such as, parts removed for maintenance. Consider parts in this status as probably not acceptable for installation.

- (5) Counterfeit parts.

**The New Definition**

**o. Unapproved Part.** A part that does not meet the requirements of an “approved part” (refer to definition of “approved parts” in paragraph 3b). This term also includes parts that may fall under one or more of the following categories:

- (1) Parts shipped directly to the user by a manufacturer, supplier, or distributor, where the parts were not produced under the authority of (and in accordance with) an FAA production approval for the part (e.g., production overruns where the parts did not pass through an approved quality system).

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## Quotation Processing\*

Manages the customer quotation process and the recording of supplier responses from outgoing RFQs.



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Provides a tool to locate sources for part procurement and send out requests for quotes to multiple vendors, including multiple lines.



## Sales Orders\*

Manages the customer order process to include back order management, invoice preparation and product returns.



## Invoice Management\*

Provides the opportunity to manage the invoice process by viewing system wide for open sales orders and determining if these can be expedited or consolidated with existing invoices, etc.



## Purchase Orders & Requests\*

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## Purchase Management\*

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## Integrated Accounting

The Accounting Module includes General Ledger, Accounts Receivable, Accounts Payable, and more - all integrated with Sales, Purchasing, Repair, Exchange, Work Order and Invoicing modules.



## Physical Inventory\*

Manages the physical inventory process. Generates count sheets for manual or barcode counting efforts.



## Receiving and Inspection\*

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Manages the shipping and order consolidation process to include user defined stages and statuses. Creates custom invoices, packing slips and certification forms within one shipment.



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Produces hard copy and screen oriented reports supporting all modules throughout the system.



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Manages the preparation, pulling from inventory, shipping and receiving of components sent out for repair. The Repair Order module provides historic as well as current repair cost per component, detailed by parts, labor and miscellaneous charges.



## Contact Management

This module provides a tool for sales, service or support centers to record, track, status and assign contact activity. Email list management and broadcasting is also included.



## Document Imaging

Provides the ability to attach images or documents against part number, stock line, work order, and company.



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## Repair Manual Tracking

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**NOTE: This includes parts shipped to an end user by a Production Approval Holder’s supplier who does not have direct ship authority from the PAH.**

(2) New parts that have passed through a PAH’s quality system which do not conform to the approved design/data.

**NOTE: Do not report parts damaged due to shipping or warranty issues as an SUP.**

(3) Parts that have been intentionally misrepresented, including counterfeit parts. 

## State Department Expands Its Export Jurisdiction

The State Department has issued a rule that was announced as ‘clarifying’ the State Department’s policy with respect to which aircraft parts are considered commercial for export purposes, and which ones are considered to be governed by the International Traffic in Arms Regulations (ITARs). The true effect of this rule, though, is to expand the range of civil aircraft parts that are considered to fall within the State Department’s export jurisdiction.

The rule addresses dual-use parts: parts that were designed for civilian aircraft but that can be used on military aircraft as well (it also includes some civil-use-only parts that meet certain technical specifications). It attempts to parse out which parts are subject to State Department licensing jurisdiction when they are exported and which parts are subject to Commerce Department licensing jurisdiction when they are exported.

This distinction is important to anyone who exports aircraft parts, because non-ITAR aircraft parts (those subject to Commerce Department export jurisdiction) may often be exported without a license, but an exporter almost always must register with the State Department and obtain a license to export anything that is considered to fit within the scope of the State Department’s ITARs (items described or referenced via the sometimes vague descriptions of the US Munitions List, or USML). The State Department is notoriously slow to issue export licenses.

Deciding which regulatory regime applies to your export can be difficult if your part is a dual-use part (one installed on both civilian and military models of an aircraft). The mission of the State Department was originally to clarify which parts are considered to fall within their jurisdiction; but they did this by issuing language that will include parts that were not previously thought to be included within their jurisdiction.

### What Does the New Rule Say?

The new descriptive language will be found in a “Note” that has been added to the regulations.

The State Department divides the world of exported items into Significant Military Equipment (SME) and non-Significant Military Equipment (non-SME). SME is a label reserved for articles for which special export controls are warranted because of their capacity for substantial military utility or capability. SME can be identified in the USMLs by the asterisks next to their entries.

Most civil aircraft parts that raise jurisdiction questions are non-SME (although some SME can surprise exporters who have not studied the USML).

In the case of any aircraft part designated as SME in any category of the USML, the part will be assumed to be a USML item (subject to State Department regulation and licensing requirements). The only way to avoid

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this assumption is to obtain a commodity jurisdiction determination by the Department of State - a very time-consuming process; and a process that is disfavored for distributors (the government prefers that the manufacturer make the application, but not all manufacturers are willing to share the results of such applications with independent distributors).

Where a part or component designated as SME was integral to a civil aircraft prior to August 14, 2008, there will be an exception - US exporters are not required to seek a commodity jurisdiction determination from the State Department for exporting such parts, unless doubt exists as to whether the item meets the three bulleted criteria below.

But the real problems arise for determining the right category for non-SME parts.

A non-SME component or part that appears to be controlled under the aircraft parts section of the USML, but is not controlled under another category of the USML, is subject to the jurisdiction of the Commerce Department (not the State Department), only if the part meets each of the following criteria:

- It is standard equipment in an aircraft;
- It is covered by a civil aircraft type certificate (including amended type certificates and supplemental type certificates) issued by the FAA for a civil, non-military aircraft (the note expressly excludes Commercial Derivative Aircraft, like certain commercial derivative helicopters);
- It is an integral part of such civil aircraft.

Remember that the USMLs have a catch-all that permits the State Department to declare that any item used as a defense-related article is covered by the USMLs - such declaration is made at the State Department's discretion. So almost anything can be declared to be a defense-related article covered under the USMLs at the discretion of the State Department. But that is a different concern.

The real concern is that the new language has tightened the scope of the civil aircraft exception for non-SMEs to the point where it may be unusable!

### *Problems with the Language*

The New State Department regulations make an alarming confusion between the phrase "standard equipment in an aircraft" and the notion of "standard parts."

Historically, the phrase standard equipment in an aircraft has been interpreted according to its apparent plain meaning. But the new regulations provide a very different meaning to this seemingly simple phrase.

The rule states that "A part or component is not standard equipment if there are any performance, manufacturing or testing requirements beyond" industry specifications and standards. This seems to suggest that any part that has any quality assurance elements, or other manufacturer-designated testing standards associated with it will be deemed to be NOT standard equipment. Practically all civil aircraft parts will have some manufacturer-specified elements to them.

The language of the rule makes it clear that any item that is not based on a "civil aviation industry specification [or] standard" is not standard equipment. This is a clear confusion between the intent of the original Export Administration Act, which was meant to exclude normal aircraft equipment, and the much more limited category of standard parts (which are excluded from the PMA requirement under 14 C.F.R. 21.303(b)).

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The State Department explicitly states that “in determining whether a part or component may be considered as standard equipment and integral to a civil aircraft (e.g., latches, fasteners, grommets, and switches) ... a part approved solely on a non-interference/provisions basis under a type certificate issued by the Federal Aviation Administration would not qualify. Similarly, unique application parts or components not integral to the aircraft would also not qualify.” This seems to suggest that a part that is approved under a STC/PMA combination based in part on a “no-technical-objection letter” from the OEM would not be considered standard equipment for purposes of determining export jurisdiction.

This rule could be a nightmare for distributors seeking to export aircraft parts, if it is interpreted to permit the State Department to extend jurisdiction over all non-SME parts that are not manufactured as standard parts. It means that any civil aircraft part that falls into the scope of the vague language of the USMLs could be deemed to be an ITAR item. For example, parts associated with an inertial system could be deemed to be ITAR items – even an old-fashioned spinning-mass gyro.

Some replacement parts might be marketed by the manufacturer under one part number for a civilian model installation and the same part number for a different defense-related article installation. This represents a hidden trap for distributors, who could unwittingly export the part as a civilian model

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item with no knowledge that it was subject to the ITARs. Under prior interpretations, the fact that it met the three elements of the civil aircraft exception was sufficient, but under the convoluted language of the State Department rule, it is possible that the part may no longer be considered to meet the exception!

### We Are Not Alone

ASA is not the only party that has pointed out the problems with the State Department's new export rules. The well-known financial/political magazine The Economist published an editorial agreeing that the recent State Department interpretation of the export rules represents a problem for US exports.

The Economist article points out the damage that these rules are likely to do to the US commercial space industry, as more non-US competitors find that the confusion and counter-productive limits imposed by US export laws hamstring US businesses seeking to export parts that might be recharacterized by the US State Department as ITAR controlled items (a State Department practice that led to trouble a few years ago for large aerospace companies exporting seemingly-exportable solid state gyros).

The Economist Article is available online at: [http://www.economist.com/displaystory.cfm?story\\_id=11965352](http://www.economist.com/displaystory.cfm?story_id=11965352). Although the Economist tackles the issue from a Space technology point-of-view, the same issues apply to dual-use aircraft parts that may be arguably characterized as defense-related articles under the standards of the International Trade in Arms Regulations and the United States Munitions List.

The government's complete analysis and publication of the rule and the rationale for the decisions made in that rule can be found online at <http://edocket.access.gpo.gov/2008/E8-18844.htm>. 

## FAA Ready to Publish Study on Repair, Alteration and Fabrication

The FAA has published for comment their study on the state of the rules that govern aftermarket activities. The Study is best known as the Repair, Alteration and Fabrication Team Report, or RAFT Report. The report has been made available for public comment before it is released in final form.

The report was originally commissioned in response to concerns raised by large manufacturers. The large manufacturers complained that their smaller competitors were able to use rules permitting PMA, DER repair, and other practices in order to compete in the aftermarket. The large manufacturers asked the FAA to look into these practices.

The FAA looked into the practices and compiled a report, but the results of the report were probably not what some of the large manufacturers wanted to hear. The report concludes that where the existing regulations are followed, repair, alteration and fabrication remain viable ways to extend the life of aircraft and to keep them airworthy.

The FAA is now inviting industry to review the draft report and offer our comments on the draft. This is a marvelous opportunity for industry to help shape the final language and recommendations of the report.

The draft report can be found online at [http://www.faa.gov/aircraft/draft\\_docs/media/RAF%20Team%20Study%20Report.pdf](http://www.faa.gov/aircraft/draft_docs/media/RAF%20Team%20Study%20Report.pdf).

Comments should be emailed to [9-AWA-AVS-RAF-ReportComments@faa.gov](mailto:9-AWA-AVS-RAF-ReportComments@faa.gov). The deadline for filing comments on the report is September 15, 2008. 


## New Employment Law Assistance for Businesses

Most of ASA's members are small businesses. And most of us have questions about compliance with employment laws. In June, the Department of Labor unveiled a set of online tools to help employers determine which of the department's recordkeeping, reporting and notice requirements apply to them.

The FirstStep Employment Law Advisor is designed to help employers determine which federal employment laws administered by the US Department of Labor (DOL) apply to their business or organization, what recordkeeping and reporting requirements they must comply with, and which posters they need to post. The Advisor can help all employers, including non-profit organizations, private sector businesses and government agencies.

If employers already know which federal employment laws apply to them, the Advisor can quickly provide basic information about how to comply with these laws, including the requirements for recordkeeping, reporting, and posters and other notices. This information can also be printed off as a reference guide.

"These Internet tools will make it easier for small business employers to learn about and comply with the federal laws that apply to them," said Secretary of Labor Elaine L. Chao. Increased compliance by small businesses will benefit mechanics, who can be better certain that their employers are providing them with the benefits and protections to which they are entitled.

The elaws advisors are free, Web-based tools designed to help employers and workers understand the department's major employment laws. This suite of FirstStep elaws advisors is available at [www.dol.gov/elaws/firststep](http://www.dol.gov/elaws/firststep). 


## Safety Management Systems: A Hot International Topic

At the June FAA-EASA International Safety Meeting, the single most-discussed topic was the Safety Management System (SMS) for air transportation. Strategies for implementation by government regulators and the form that such programs might take at both the government and industry level were all much-debated. One thing is clear from these discussions: everyone has a different view of what SMS will be.

The SMS debate is prompted by a requirement issued by the International Civil Aviation Organization (ICAO). ICAO Annex 6 currently demands that member states require that operator and maintenance providers implement an acceptable safety management system. The ICAO rule requires that all governments implement their systems by January 1, 2009. The current state of the industry makes it clear that no government will be in compliance by that time.

The most advanced implementer seems to be Transport Canada, but the Transport Canada SMS Program seems to have gotten entangled in legal issues and industry opposition. A major practical problem with the program was that it sought to make significant changes too quickly, causing a visceral reaction among the regulated industry. The FAA intends to take a more measured approach to implementation. The first official step in this approach will be the solicitation of public comments on what a potential SMS rulemaking should look like.

The SMS proposal would ultimately apply to operators, repair stations and manufacturers (design approval holders). Certificate holders would implement systems able to identify hazards and would then develop, implement, and maintain effective risk controls based on the identified hazards.

The FAA plans to issue an Advance Notice of Proposed Rulemaking later this summer, seeking public input into the form that such a rule might take. 

## Air Carrier Fleet Retirements

On September 12, Northwest's last 747-200 in scheduled passenger service will begin its final routing. The aircraft will fly across the Pacific as NW8, from Tokyo Narita to Seattle-Tacoma, and then continuing as NW170 from SEA-TAC to Northwest's headquarters in Minneapolis/St. Paul.


"The 747-200 was the mainstay of our international fleet, particularly in the Pacific for several decades," said Captain Lane Littrell, NWA's fleet training captain on the 747-200. "It has served our passengers and our company well and many of us who have flown it, worked in its cabin or maintained it have a soft spot for it. We'll miss it even as we appreciate the improvements provided by the new generations of A330s and 747-400s."

The first 747-200 went into commercial service in 1971. Boeing produced them between 1971 and 1991 and delivered a total of 393. Northwest began flying the 747-200 in 1975. Northwest had 22 of the 747-200 passenger aircraft by the year 1997.

Although the 747-200's external appearance was nearly identical to the 747-100, it was designed to carry a heavier payload, and unlike the -100 (which was first offered only as a passenger aircraft) the -200 was originally offered in a freighter configuration as well as a passenger configuration.

During their 32 years of service, Northwest's 747-200s completed more than 320,000 flights and traveled more than 1 billion miles. Northwest will continue to operate the 747-200 on cargo routes.

Northwest is not the only air carrier retiring its fleets. American Airlines announced that it will accelerate retirement of the 34 A300-600s, which had already been planned for phase-out.

Under the accelerated plan, these aircraft will all be retired by the end of 2009, which is significantly earlier than the original planned retirement by 2012. The 34 A300 jets mainly fly out of New York and Miami, and they account for many of American's flights to the Caribbean and Central and South America. American plans to remove 10 of the A300-600s this year and the remaining 24 next year. 

## Small Business Rules Continue to Apply for Aircraft Parts

The Small Business Administration (SBA) granted a waiver of the Non-Manufacturer Rule for Drones and Aircraft Launching Equipment. This waiver was effective July 8, 2008.

In layman's terms, this means that distributors who want to supply Drones (Product Service Code (PSC) 1550) or Aircraft Launching Equipment (PSC 1720) to the US government do not need to worry about small-business set-aside rules that are designed to protect small manufacturers.

The waiver is founded on the fact that the government has found that there are no small business manufacturers supplying products to the Federal government from these two Product Service Code classes. The waiver will allow qualified regular dealers to supply products from any manufacturer on Federal contracts ordinarily reserved for small businesses; service-disabled veteran-owned businesses; or businesses in the SBA's 8a Business Development Program.


This waiver is the result of a May 2008 request to waive the Non-Manufacturer Rule for Drones (PSC 1550); Miscellaneous Aircraft Accessories and Components (PSC 1680); and Aircraft Launching Equipment (PSC 1720). After the government published the notice of intent in the Federal Register, they received a comment

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## REGULATORY UPDATE

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leading them to conclude that there are small business manufacturers of Miscellaneous Aircraft Accessories and Components (PSC 1680). A waiver was therefore not granted for PSC 1680. Thus, the small business rules continue to apply for aircraft parts.

Full text of the government's announcement can be found at - <http://edocket.access.gpo.gov/2008/E8-14116.htm>. 

## New Unapproved Parts Notices

Following are links to five new Unapproved Parts Notices (UPNs) published by the FAA. ASA takes no responsibility for the content of the UPN. It is important to note that the "Mid Continent" described in the August 1 UPN is NOT the same company as the manufacturer known as Mid Continent Instruments.

### Concord International Aerospace, Inc.

[http://www.faa.gov/aircraft/safety/programs/sups/upn/media/2008/UPN\\_2008-200700111.pdf](http://www.faa.gov/aircraft/safety/programs/sups/upn/media/2008/UPN_2008-200700111.pdf)

### Mid Continent Aircraft Corp.

[http://www.faa.gov/aircraft/safety/programs/sups/upn/media/2008/UPN\\_2008-S20080226009.pdf](http://www.faa.gov/aircraft/safety/programs/sups/upn/media/2008/UPN_2008-S20080226009.pdf)

### Mr. Brian D. Snyder d.b.a. Smooth Landings, Inc., also known as Always Airborne

[http://www.faa.gov/aircraft/safety/programs/sups/upn/media/2008/UPN\\_2008-S20080418002.pdf](http://www.faa.gov/aircraft/safety/programs/sups/upn/media/2008/UPN_2008-S20080418002.pdf)

### Weco, Inc.

[http://www.faa.gov/aircraft/safety/programs/sups/upn/media/2008/UPN\\_2008-S20080411011.pdf](http://www.faa.gov/aircraft/safety/programs/sups/upn/media/2008/UPN_2008-S20080411011.pdf)

### Dakota Air Parts International, Inc.

[http://www.faa.gov/aircraft/safety/programs/sups/upn/media/2008/UPN\\_2008-S20071123008.pdf](http://www.faa.gov/aircraft/safety/programs/sups/upn/media/2008/UPN_2008-S20071123008.pdf) 

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## CALENDAR OF EVENTS!

### ASA Events

**Hazmat Training** • September 23-24 ..... Kansas City, MO - TBA

### Other Industry Events

**December 3-4** ..... Aircraft Maintenance Outsourcing EXPO 2008  
Cobb Galleria Centre, Atlanta, GA