



# The Update Report

The Airline Suppliers Association

Volume 9, Issue 3

March 2001

## REGULATORY UPDATE

### JAA Rules Affect 8130-3 Tags

European adoption and implementation of the JAA regulations and guidance may affect your exports to Europe.

The JAA regulations affecting the acceptance of imported parts state that the installer should obtain an airworthiness release document (e.g. 8130-3) for a part imported from a foreign nation (e.g. the United States) (see p. 31 for text).

It is important to remember that the JAA is not a regulatory authority. The regulatory authorities of the individual countries must adopt the new JAA proposals to make them effective. If the importing country has not adopted JAR 21N307, then it may not have an 8130-3 requirement. It may have adopted JAR 21M307 in a different manner, also.

The JAA appears to be promoting the acceptance of the 8130-3 tag. Because the JAA is the harmonization vehicle for European aviation regulations, though, it is likely that many of the JAA member nations will soon adopt the JAA recommendations, and more European customers will ask that aircraft parts from the United States be accompanied by 8130-3 tags.

This raises important questions about the future of the 8130-3 tag as an export tag. As it becomes more of a re-

quirement in export transactions, the United States Government must support this need, because some in the FAA are actively promoting foreign demands for the tag. International pressures, combined with domestic initiatives, could bring about radical changes in the use of the 8130-3 in the industry.

ASA members use the 8130-3 tag as an export airworthiness tag, as a domestic airworthiness tag, and as an approval for return to service. Even though no U.S. regulation requires the form, it is nonetheless a particularly important document domestically (as well as internationally), because many of the customers demand that the form accompany a part they've purchased.

Let's say that again: No U.S. regulation requires that a seller make an 8130-3 tag available to a buyer.

So why does everyone in the United States seem to desire the 8130-3?

United States customer demands for the 8130-3 tag represent commercial issues; but the reason that the customers demand the document is because it is quite useful in supporting their airworthiness obligations. The tag indicates that someone made an airworthiness decision with respect to the part. This helps to support the regula-

(Continued on page 31)

### Inside this Issue:

ASA Elects New Directors.....	27
Congressional Round-Up .....	29
8130-3 Status.....	31
Impending Repair Station Rules ...	32
Arbitration Agreements .....	35

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## A Message from ASA's President

Have you marked July 8-10, 2001 on your calendar? Those are the dates of the 2001 ASA Annual Conference.

By now, each ASA member should have received the 2001 ASA Annual Conference brochure. The brochure provides an overview of the subjects, speakers and workshops for the Conference. If you haven't received the brochure in the mail, then you can find it on the ASA website, or you can call ASA for another copy.

When planning the conference agenda, we wanted to offer subjects that are of interest to all facets of the parts distribution industry.

Are you concerned about how an economic slow-down could affect your business? Do you purchase inventory based upon the needs of air carriers? Robert Agnew, President and COO of Morten Beyer & Agnew will be providing an overview of the economy and the particular effect it may have on aircraft parts distribution. He will also review the demand for and supply of aircraft parts. Robert's colleague, Teo Ozdener, will be presenting a workshop on managing spare parts inventory and streamlining business practices.

Anyone with responsibilities involving cash flow or bill collection will be fascinated by Don Mosher of the National Association of Credit Managers, who will be presenting a workshop on getting paid.

ASA Board Member Amy Cochis has arranged for a Pratt & Whitney instructor to present a workshop on Quality Clinic Process Charts. This course is a part of the UTC's ITO University and ACE Program. Amy will also be presenting a workshop on root cause analysis.

Marshall Filler, the Senior Partner of Filler & Weller, PC will be addressing

the general session regarding the increase in criminal prosecution within the aviation industry and how distributors can protect themselves.

Matt Thurber, Editor of Aviation Maintenance Magazine will provide an overview of the state of the aviation maintenance industry.

ASA will be hosting several forums at the conference including electronic documentation, audit disasters & successes and an industry forum. These will represent an opportunity for attendees to get involved in the discussions as well as getting answers to questions.

There will also be an air carrier panel discussing receiving documentation requirements. And of course, no conference would be complete without Jason Dickstein's government affairs update and Jason Lewis's accreditation review.

As always, ASA offers reduced registration for air carrier and government employees—contact the Association for details.

Best Regards

Michele Schweitzer

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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.

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## ASA Elects New Board of Directors

The results are in!

The members of the Airline Suppliers Association have elected five members to the ASA Board of Directors. The association has re-elected three current Board members and welcomes two new Directors. Each is elected to serve a two-year term.

The three Directors re-elected to new terms are familiar and respected names within the industry. John Butler, President of Time Aviation Services, a unit of AMERON GLOBAL, Inc. located in Valencia, California, is starting his fourth term on the Board. Amy Cochis, Quality Assurance Manager at Pratt & Whitney SMMO, is back for her second term. Mike Molli, Director of Sales and Marketing for the Scandinavian Airlines System in Chicago, is ASA's longest-serving Director, having played an active role on the Board since ASA was founded in 1993. They will carry on their successful collaboration with the two other veteran members of ASA's seven-member Board, Bill Cote, Vice President of Corporate Quality for The AGES Group, a Volvo Group in Boca Raton, Florida, and Paula Sparks, Vice President of Corporate Quality Assurance for AVTEAM, Inc. in Miramar, Florida. Cote and Sparks will be up for re-election next year.

New to the Board this year are Roy Resto and Terry Bond. Roy Resto is the Vice President, Technical Operations of Tracer Corporation in Milwaukee, Wisconsin. Terry Bond is the Vice President of Quality for M&M Aerospace Hardware, Inc., in Miami, Florida. Both see significant challenges and opportunities for the association in the years ahead. Resto attributes ASA's position as a "world-class trade association" to a

"deliberate, well planned, and properly executed business plan." He sees the association's challenge for the future as working to improve that plan so that "the value of membership is enhanced, refined, and continually reflective of the needs and desires of the association's stakeholders."

Bond stresses the importance of increasing ASA's membership. He also sees opportunities to get more involved in the regulatory process. "I see the FAA asking for, and needing, more assistance in rulemaking decisions in the coming years. The ASA has positioned itself and its membership in such a manner that we will be able to work along with the FAA when requested or required to assist in making decisions that affect our industry."

The Board bids a fond and grateful farewell to two Directors who chose not to stand for re-election. Karen Borgnes, President of Pacific Aero Tech, Inc. in Kent, Washington, has served three terms on the Board. "It has been tremendously rewarding to be a part of the team as the ASA has grown, strengthened, and become a leader in the industry," Borgnes e-

cently wrote. "It was with mixed emotions that I decided not to run this year, but I intend to remain involved with the association and wish Michele, Jason, and the new Board all the best. We are lucky to have so many talented and dedicated members, and that is the real strength of ASA."

Fred Gaunt, President of Pacific Air Industries in Santa Monica, California, is a six-year Board veteran. "I truly value my opportunity to serve three terms as a Director of the ASA and, hopefully, contributed in a small way to its development as the leading trade association for the after-market aviation parts industry," he wrote in a farewell message. Gaunt and Pacific Air Industries will remain active supporters of the association. "With the continued outstanding leadership of Michele Schweitzer, and the support of her staff, an energetic Board and active membership, the Association will reach new heights in representing the concerns and interests of our companies."

ASA extends its heartfelt thanks to both Karen and Fred for their hard work and dedication over the last several years, and congratulates them both on a job well done.

### ASA Annual Meeting

The 2001 Annual Meeting of the Members of the Airline Suppliers Association will be held in conjunction with the ASA Annual Conference. This is the customary practice for the Association.

The Association's annual meeting of the membership will be held at The Breakers Hotel in West Palm Beach, FL on Tuesday, June 10, 2001 at 7:30 a.m. It will be a breakfast meeting.

The Association shall provide the members with a briefing on the Association activities, and the Association also expects to place issues before the membership for voting. Details on such issues shall be made available to the membership when they are available.

If you have any other questions, please call ASA at (202) 730-0270.

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## Congressional Round-Up

### *Tax Cuts Moving Forward*

President Bush's tax cut plan is making its way through Congress.

On March 8, the House approved the first installment of the plan, a bill that reduces the number of income tax brackets from five to four, and lowers tax rates by several percentage points across the board over the course of the next six years (H.R. 3, Economic Growth and Tax Relief Act of 2001). The bill is retroactive to January 1<sup>st</sup> 2001, providing \$5.6 billion in tax relief this year.

The second installment of the plan, a bill that reduces the "marriage penalty" and doubles the per-child tax credits for families with children, was approved by the House Ways and Means Committee on March 22<sup>nd</sup> and will soon be considered by the full House (H.R. 6, Marriage Tax Elimination Act of 2001).

The measures face a tougher test in the Senate, where the 50-50 split between Republicans and Democrats, as well as the filibuster rule which imposes a *de facto* 60-vote supermajority requirement for significant issues, promises to make agreement harder to achieve. Issues under discussion in the Senate include the overall timing of tax relief and the addition of a "trigger" mechanism that would reduce or suspend income tax cuts in future years if economic performance does not match current projections.

Congress will consider an even more controversial part of the tax plan in the coming weeks – the president's proposal to eliminate the estate tax, or "death tax". Despite the often-devastating effect of the death tax on family-owned businesses, opponents still regard outright repeal as a "gift" to America's wealthiest taxpayers.

Several proposals are currently before the House Tax committee, but no front runner has emerged as yet – committee staff feel that it is likely that legislation passed by the committee will provide for a 10-year phase-out of the tax.

### *Ergonomics Rules Eliminated*

ASA members won a significant victory on Capitol Hill with the demise of the Labor Department's recently published ergonomics regulations.

Congress for the first time exercised its powers under the Congressional Review Act to rescind the ergonomics rules that were published in the final months of the Clinton administration.

The regulations would have mandated that virtually all ASA members establish burdensome ergonomics programs in their companies. The stated purpose of these programs would be to reduce the incidence of repetitive stress injuries and provide medical treatment to employees who reported such disorders (even when those disorders were brought on by an employee's activities *outside* the workplace).

ASA and other business groups across the country denounced the huge costs the new rules would have imposed on employers. ASA filed a formal opposition to the proposed rule with OSHA.

Congressional disapproval was no surprise: the ergonomics proposal was supported by shoddy science, and was punctuated by a severe effect on business, a lack of relationship between business-causation and business-liability, and a misunderstanding of the human factors steps already being taken by industry.

President Bush made Congress's disapproval official by signing the Congressional resolution into law on March 20. The Department of Labor is going back to the drawing board to devise new regulations that are less burdensome on businesses and produce benefits that are commensurate with their costs – a process that could take several more years.

### *Minimum Wage Increase*

A bill currently before the Senate would raise the federal minimum wage by \$1.50 per hour over the course of the next two years. The Fair Minimum Wage Act of 2001 would increase the federal minimum wage to \$5.75 per hour beginning 30 days after the statute is enacted; \$6.25 per hour beginning January 1, 2002; and \$6.65 per hour starting January 1, 2003. The current federal minimum for employees engaged "in commerce or in the production of goods for commerce" in the United States is \$5.15 per hour.

### *Bankruptcy Reform Increases Risks for Small Businesses*

In the past several issues, ASA has provided its members with guidance on how to protect your assets from the ill effects of someone else's bankruptcy. Those who are following the high-profile bankruptcies in the industry will be interested to know that Congress is interested in tightening the rules for declaring bankruptcy.

The Bankruptcy Abuse Prevention and Consumer Protection Act of 2001, passed the House on March 1<sup>st</sup> and is currently being debated before the Senate. The relevant bills are identified as H.R. 333 and S. 220.

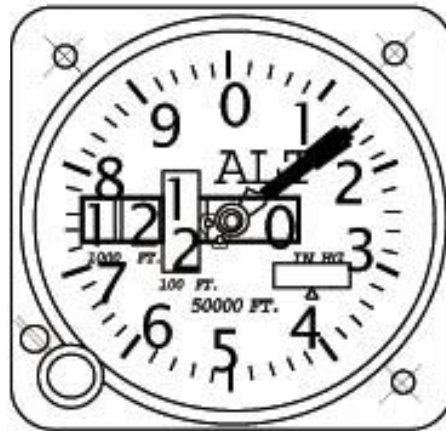
*(Continued on page 31)*

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## Hill Update

*(Continued from page 29)*

Although the primary focus of the measure is personal bankruptcy, the bill also contains provisions that will make it more difficult for small businesses to work their way out of debt by filing a Chapter 11 reorganization. The bill shortens the period that a small business debtor (a debtor with \$3 million or less in debt) has to develop a repayment plan. If a business and its creditors are unable to reach an agreement on a repayment plan within the given time, the business can be forced into Chapter 7 liquidation. This could give secured creditors increased leverage in negotiations with debtor companies, by making it easier for them to delay the agreement process beyond the statutory period, and then take the debtor's assets when the debtor liquidates.

Larger debtors (those with more than \$3 million in debt) are spared this dilemma under the proposed law. They are permitted to continue operating in Chapter 11 as long as they can show the court reasonable progress towards repaying their debts.

Senator John Kerry (D-MA), the ranking minority member of the Senate Committee on Small Business, offered an amendment to strike the small business provisions from the bankruptcy bill, only to have it rejected when it received no Republican support.

Small business owners can find themselves squeezed by tighter rules on personal bankruptcy as well. Business owners who try to keep troubled businesses afloat by incurring debt on their personal credit cards will find it more difficult under the new bill to have those debts discharged.

## 8130-3 Status

*(Continued from page 25)*

tory obligations of the eventual installer, because that installer is obliged to determine the part's airworthiness at the time of installation.

Domestic demand for the 8130-3 has not arisen in a vacuum. There are other factors contributing to the demand for the 8130-3. One of these is that there is a general FAA "conventional wisdom" favoring general use of the 8130-3. This conventional wisdom has NOT been codified into any sort of a regulation. In fact, the only regulations that apply to the 8130-3 are those that require the FAA to issue an 8130-3 tag for export purposes under certain circumstances.

According to some in FAA Management, the FAA's long-term goal is to promulgate rules that permit the 8130-3 tag to be used as a 'birth-record' for parts. To make this a reality, the FAA must provide an environment in which every manufacturer (including the smallest PMA and TSOA manufacturers) can obtain an 8130-3 tag as a birth record for the airworthy parts created by that company. Ideally, there should be mechanisms for tagging older parts that were released to the marketplace before implementation, so the program would not devalue existing inventory.

Regulations that provide a foundation for this sort of use, though, are still many years in the future. Therefore, we will continue to find ourselves in a situation where our customers are driving the documentation requirements without formal FAA guidance for when and where the tag is required, and without FAA full support of general issuance to identify airworthy parts.

The FAA's long-term plans also call for elimination of the distinction be-

### JAR 21N307 Release of Parts and Appliances For Installation (Mar. 1, 2001 version)

No imported replacement or modification part or appliance, is eligible for installation in a type certificated product unless:

(a) It has been produced in accordance with JAR 21N131;

(b) It is accompanied by an airworthiness release document certifying conformity of the part or appliance with the approved design, issued in accordance with the Arrangement set up under JAR 21N5; and

(c) It is marked in accordance with Sub-Subpart N-Q.

tween domestic and export 8130-3 tags: all airworthiness approvals would be equivalent, and would certify applicable airworthiness conditions.

For over a year now, use of the 8130-3 tag as a domestic airworthiness approval tag has been limited by an internal FAA policy that restricts FAA designees and employees from issuing the tag for parts held by distributors. In April 2000, the FAA announced at an FAA-industry Suspected Unapproved Parts meeting that the FAA would be issuing guidance to once again permit designees to issue 8130-3 tags for demonstrably airworthy parts held by distributors. Since that time, the FAA has postponed its own expected release date several times, blaming those delays on internal FAA coordination issues.

Recently, ASA spoke with the Manager of the FAA's Production and Airworthiness Certification Division, Frank Pasciewicz. Mr. Pasciewicz reaffirmed his commitment to issuing guidance that would permit FAA designees to issue 8130-3 tags for demonstrably airworthy parts. ASA hopes to see that guidance issued by the Annual Conference in July. It represents an important step in the FAA's support of the 8130-3 tag.

The 8130-3 tag has been a central is-

*(Continued on page 34)*

## Impending Repair Station Rules

New repair station rules may be just around the corner. While the specifics of the rule remain a mystery until formal publication, rumors concerning the issues that survived the regulatory cutting-room make it clear that the new rule will be a mixed bag for industry – with both beneficial changes and changes that could have a detrimental effect on the industry.

Nearly every ASA member encounters repair stations in the course of business - repair stations may be customers, they may serve as maintenance facilities for inventory in need of repair, or the ASA member may, itself, hold a repair station certificate. As a consequence, the proposed revisions to the repair station rules should be vitally important to every ASA member.

The repair station final rule has been promised for April, 2001. It has been sent to the Secretary of Transportation for final review so that deadline is a real possibility. On the other hand, the FAA has missed a deadline or two in the past....

### Warning

This article features future information about the likely repair station rule that will be published this year. Until that document is published, the infor-

mation contained in this article is, at best, a prediction.

### History

The complete rewrite of the Part 145 repair station regulations is not a surprise; the project has been in the works for over 25 years. The process began with a 1975 report that called for substantial revision to the repair station rules. Although some subsequent minor revisions were made, and a significant change to the process for issuing certificates to foreign repair stations occurred in 1988, the substantial changes envisioned were never undertaken.

**The repair station final rule has been promised for April, 2001; although the FAA has missed a deadline or two in the past.**

In 1989, the FAA began the formal process of updating the repair station rules by issuing an ANPRM – an advanced notice of proposed rulemaking – that asked questions about the repair station rules and sought input from the industry about how the rules should be changed to improve safety and operating efficiency.

After ten years of work, the FAA finally released a draft rule on June 26, 1999 for public review. Released as a Notice of Proposed Rulemaking [NPRM], the revisions represented a major overhaul of the rules that apply to repair stations.

In 1999, ASA submitted a formal statement (known as a “comment”) to the FAA addressing the proposed repair station rules. By law, the government is required to review all comments and disposition them appropriately. Appropriate disposition often means that the government must either adopt the industry proposal, or explain why the government proposal is superior to the industry proposal. This process forces the government to be responsive to the people whom it is supposed to represent.

ASA’s repair station comments represented a comprehensive critique of the FAA’s regulatory proposal. ASA congratulated the FAA for those aspects of the proposal that represented safety advances, but ASA also sharply criticized the FAA for ideas that were not well thought out. In some cases, some of the FAA proposals would have imposed burdens with no commensurate safety benefit. In other cases, the desired safety benefit of the proposal was clear, but the proposal was poorly drafted so that it would be unlikely to yield the safety objectives sought.

ASA published a series of articles on

*(Continued on page 33)*

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## Repair Station Final Rules Issued in April?

*(Continued from page 32)*

the proposed repair station changes in late 1999. One of the issues that series of articles addressed was a quality system proposal advanced by the FAA.

### *Quality Systems*

Repair stations today are not required to have a quality assurance system in place - instead, they are required to develop and follow an inspection procedures manual. The proposed rule would create a regulation that requires repair stations to implement a quality assurance [QA] program. In addition, repair stations would be required to develop an operations manual that describes this QA system. The inspection procedures would be just one part of this repair station manual.

At first blush, the quality system proposal seemed like a positive advance. Although it is not required by law, many repair stations have voluntarily implemented quality assurance programs to ensure that maintenance is consistently performed according to the applicable standards; in fact, the Joint Aviation Authority has published Joint Aviation Regulations (JARs) that require that European repair stations (that meet the JARs) to have a quality assurance program in place. This means that United States repair stations that are JAR-accepted already are required to implement such a system.

Unfortunately, the quality assurance proposal, while well-intentioned, had a great many failings. In particular, it failed to provide objective regulatory standards for acceptability of a system. In the current regulatory environment, this would have been likely to lead to some FAA employees

interpreting the rules in a manner that was unreasonable. It would also have been likely to further contribute to existing problems within the FAA in assuring uniformity of regulatory interpretation.

Given the problems the FAA has faced in the past with standardization (or lack thereof), it seems unlikely that the FAA will find it easy to strike the balance between "individualized service" in assessing QA systems, and assuring that the standards of assessment are fair and uniform. Because of the diverse nature of repair and alteration, production quality systems, with which the FAA is familiar, do not always translate well to the maintenance arena. Air carriers have been successful in developing individualized quality programs that are effective, but their systems are often quite different from one air carrier to another. That sort of individuality simply may not be

**Warning: Until the Final Rule is published, the information contained in this article is, at best, a prediction... but it does represent current FAA trends concerning the rule**

practical for FAA oversight, but true uniformity may not be practical for diverse repair station operation.

The FAA has apparently chosen to remove the quality system proposal from its major rewrite of the Part 145 rules. This does not mean that the quality assurance system proposal is dead! It only means that the proposal is being reworked, and will likely be reissued at some point in the future.

### *Changes in Ratings*

Another important element of the repair station proposal is the overhaul of the manner in which ratings are issued and the expansion of the varieties of ratings. Like the quality system issue, this issue received plenty of comments from the industry, and not all of them were positive. The FAA is quite likely to drop this issue from the current revision project, as well.

As with quality systems, the ratings issue is not dead. We can expect a revision of the repair station ratings system to be issued as a stand-alone proposal sometime in the future.

### *Inclusions*

So what *will* the new rule include? It is likely to codify some of the provisions that have been treated by exemption in the past, like permitting electronic recordkeeping systems. It is also likely to make it clear that signatures may be affixed either through a writing or through electronic signature methods (an issue that is reasonably clear under the law but less clear in conventional usage).

It is possible that the new regulations may adversely affect property rights associated with certificates by making them non-transferable. Under current law, the transferee applies for an amendment to the certificate; the proposed rule would require the transferee to apply for a whole new certificate. This could have a devastating affect on the value of some repair stations, and cause a compliance nightmare for publically traded companies with repair stations.

The Part 145 proposal would replace the public exemption process with a hidden process whereby the FAA would issue deviation authority to repair stations. The process would be known as deviation authority, and it would require an application to the

*(Continued on page 34)*

## Repair Station Rules in the Works

## 8130-3

*(Continued from page 33)*

FAA that essentially contains the same information currently required for a petition for exemption. Deviation authority would not be subject to public scrutiny, so there would be no way to determine if the FAA was issuing deviation authority in a uniform manner, or if certain denials were being made in an unfair manner. There would be no formal process for processing a deviation authority in the event of an unfair denial. Most importantly, deviation authority could be rescinded at any time at the discretion of the FAA, with no due process, and the repair station that loses its deviation authority would have no right to appeal that rescission.


Although the application process of deviation authority would be simple, this proposal could cause obvious problems for repair stations whose

livelihoods could rely on such ephemeral deviation authority. It could also adversely affect the distributors that work with the repair stations, as changes in deviation authority may alter the approval status of work performed by the repair station. Because the process is not public, distributors might have no way of knowing the true extent of a deviation authority, and no way of knowing when deviation authority is rescinded.

The final rule amending the repair station rules is due out quite soon. If the FAA keeps its word and issues this proposal, it should be quite interesting to see which of the regulatory proposals survived the slice-and-dice process of regulatory revision and how the new repair station rules will affect the distributors that do business with


sue among international negotiations, as well. Plans to harmonize the American 8130-3 tag, the Canadian TC 24-0078 form and the European JAA-1 form continue to progress, although they are progressing at the usual snail's pace associated with any international negotiation. Harmonizing these three forms would provide many positive safety and commercial benefits. The project is currently being reviewed under the Europeans Notice of Proposed Amendment process. This is similar to the United States' regulatory process, and it permits interested parties an opportunity to file comments in favor of, or in opposition to, the proposal.

The next step is to make 8130-3 tags more readily available at home and abroad. ASA is working with the FAA to create positive results in this arena in the very near future.



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August 20 & 21, 2001	Los Angeles, CA	Embassy Suites, Arcadia, CA
August 22 & 23, 2001	Seattle, WA	Hosted by Avolo!
September 13 & 14, 2001	Chicago, IL	Hosted by AirLiance

HazMat instruction also offered in other cities. See the Upcoming Events listing in this issue for additional dates. Can't make it to a scheduled site? Instruction can also be provided on-site at your facility (call us for details).

For registration information contact:

**AIRLINE SUPPLIERS ASSOCIATION, 1707 H STREET, NW, SUITE 701, WASHINGTON, DC 20006**  
**PHONE: 202-730-0270, FAX: 202-730-0274, E-MAIL: TRAINING@AIRLINESUPPLIERS.COM**

## Arbitration Agreements

In a landmark decision, the Supreme Court last month ruled that employers can require workers to submit their disputes to arbitration as a condition of employment. For employers, this decision represents a victory of common sense over needless litigation.

The case is *Circuit City Stores, Inc. v. Adams*. In that case, an employee of Circuit City claimed that he was a victim of harassment. The company had a policy of requiring binding arbitration for all employment disputes. All employees signed a form agreeing to submit their claims to arbitration as part of their employment agreement. Rather than taking advantage of the arbitration policy, though, the employee brought the case right to a court.

The company relied on that contract to bar the employee's lawsuit, claiming that the employee should have followed the policy that he signed and brought the case to arbitration. The Court of Appeals ruled in favor of the employee and Circuit City brought the case to the U.S. Supreme Court

The Supreme Court overturned the decision of the Court of Appeals.

Trial lawyers have been swift in their condemnation of the Court's ruling. They argue that arbitration is inherently unfair because appeals are often limited and because damages can be capped.

In practice, though, arbitration programs have been quite successful. They generally provide prompt and fair hearings, with neutral arbiters who are usually chosen for the expertise (unlike some judges who may be chosen for their political connections).

ASA Counsel Jason Dickstein, has worked on arbitration cases in the past and has also developed arbitration and appeals processes for companies. He explains that "The real victims of arbitration are the trial attorneys. Litigation that could have cost many thousands of dollars can be conducted for one-tenth the cost in lawyers' fees. Because of the simpler rules to arbitration, some people even feel comfortable entering an arbitration without a lawyer. Damages may be capped in an arbitration so that the award is reasonably related to the injury that was suffered, and this eliminates the outrageous windfalls that some trial attorneys seek."

The Supreme Court ruling makes it clear that arbitration agreements are enforceable. This makes these agreements useful tools for companies seeking to avoid litigation in the future.

Companies that are interested in establishing an arbitration policy should invest some resources up-front to develop a program that is comprehensive and fair. Such a program should include clear descriptions of the employee's responsibilities in bringing a case, and include elements designed to protect the employee's rights, and to encourage the employees to bring their complaints to light.

An initial investment in a sound arbitration program can yield many rewards in years to come. It can help a company save time and money in attorneys' fees. If the program is well-run, it can even permit employees to seek restitution for injuries in a non-threatening manner that helps preserve the peace of the workplace.

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

Back issues of the Update Report are now on-line! Missing a prior issue? Issues of the Update Report are being added to the ASA web site about one month after they are published. Complete sets of volumes six through eight are now on-line!

## UPCOMING EVENTS

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

<b>Apr. 16</b>	<b><u>PERSONAL TAX RETURNS DUE!</u></b>
<b>Apr. 25-27</b>	<b>NY School of Int'l Aviation Finance</b> , NY, NY. Call Euromoney at (44) 0 20 7779 8999.
<b>Apr. 25-28</b>	* <b>Aircraft Electronics Ass'n Convention &amp; Trade Show</b> , Dallas, TX. Call (816) 373-6565 for info.
<b>Apr. 27-30</b>	* <b>Aeronautical Repair Station Ass'n Symposium</b> , Arlington, VA. Call (703) 739-9543 for details.
<b>Apr. 29-30</b>	* <b>HazMat Training for the Aviation Community</b> , Long Beach, CA. Call (202) 730-0260 for details.
<b>May 1-3</b>	* <b>Aviation Services and Suppliers Supershow</b> , Long Beach, CA. Call (202) 730-0260 for details.
<b>May 3</b>	* <b>NATA General Aviation Parts Seminar</b> , Long Beach, CA. Call (800) 808-6282 for details.
<b>May 4</b>	* <b>ASA Workshop</b> , Phoenix, AZ. All the latest legal changes you need to know! Call (202) 730-0270.
<b>May 10-11</b>	* <b>ASA Hazmat Training</b> , New Rochelle, NY. Ramada Plaza Hotel. See Page 34 for details.
<b>July 8-10</b>	* <b>Airline Suppliers Association Annual Conference</b> , The Breakers, Palm Beach, FL. Call ASA at (202) 730-0270 for more information, or send email to conference@airlinesuppliers.com
<b>Aug. 16-17</b>	* <b>ASA Hazmat Training</b> , Phoenix, AZ. Phoenix Airport Courtyard by Marriott. See Page 34 for details.
<b>Aug. 20-21</b>	* <b>ASA Hazmat Training</b> , Los Angeles, CA. Embassy Suites, Arcadia, CA. See Page 34 for details.
<b>Aug. 22-23</b>	* <b>ASA Hazmat Training</b> , Seattle, WA. Hosted by Avolo! See Page 34 for details.
<b>Sept. 13-14</b>	* <b>ASA Hazmat Training</b> , Chicago, IL. Hosted by Airliance! See Page 34 for details.
<b>Sept. 18-20</b>	<b>Aviation Indus. Suppliers Conf. (AISCE)</b> , Hotel Palladia, Toulouse, France. Call (310) 203-9603.
<b>Nov. 7-9</b>	<b>Regional &amp; Corporate Aviation Indus. Suppliers Conf.</b> , Rancho Mirage, CA. Call (310) 203-9603.

*Don't forget to register for the 2001 ASA Annual Conference at the Breakers in Palm Beach, Florida. It will be held July 8-10, 2001. Registration materials are available on the ASA Website, or call (202) 730-0270. Make Hotel Reservations at the Breakers by calling 888-273-2537. The ASA Conference Attendee Room Rate at the Breakers is \$130+tax/night.*

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