AVIATION SUPPLIERS ASSOCIATION
Quality Assurance Committee
November 12, 2011
Brookhaven Country Club, Dallas, TX
MEETING MINUTES

Dan Von Flue, Aero Recovery Solutions, LLC
Pete Palmieri, AerSale, Inc.
Brent Webb, Aircraft Inventory Mgmt. & Svcs., Ltd.
Victor Luna, ANA Trading Corp., USA
Stephanie Brown, ASA
Michele Dickstein, ASA
Jason Dickstein, ASA
Michelle Billoir, ASA
Richard Smith, ASA
Ed Bayne, Boeing
Patti Rockey, Boeing
Rouleen Billinger, Boeing
John Mitchell, Continental Airlines, Inc.
Kurt Robinson, Delta Air Lines, Inc.
Lee Scherer, Evergreen Trade, Inc.
George Ringger, G. Ringger Consulting, Inc.
Nin George, Global Parts, Inc.
Rick Sauro, International Aircraft Associates
Eric Elwell, Inventory Locator Service, LLC (ILS)
Dave Meek, Inventory Locator Service, LLC (ILS)
Chris Anderson, MidAmerican Aerospace, Ltd.
Bill Gallacher, Mitchell Aircraft Spares, Inc.
Harold (Butch) Goforth, Mitchell Aircraft Spares, Inc.
Kenny Williams, NTE Aviation, Ltd.
Justin Richardson, Pratt & Whitney
John Helms, Pratt & Whitney
Terry Reid, Ranger Air Aviation
Glenn Jacob, Turbo Resources International, Inc.
Roger Bartz, Unical Aviation, Inc.
Alex Tan, Unical Aviation, Inc.

Anderson welcomed the Committee and called the meeting to order at 8:30 a.m.

J Dickstein provided a brief antitrust statement in which he introduced the Association's antitrust policy.

The President welcomed the Committee and provided them with a briefing on developments with the Association. Bob Hogan of Pratt & Whitney has retired from the ASA Board of Directors. Sherry Murray of APSCO is a new ASA Board member.

The Association will be distributing a member survey. The Association would appreciate it if every member would make sure that they respond, so that ASA

has appropriate data to ensure the Association is supporting the needs of the members.

ASA will be setting up a pavilion at the 2012 UBM Airline Purchasing Conference in London.   This is a great way for members to exhibit and reach out to European and Middle Eastern customers at a lower financial and resource cost than if they were to sign up to exhibit on their own. Members interested in participating should contact the Association.

ASA's ISO registrar program has filed its application to perform AS 9100, 9110 and 9120 audits.

Brown provided an update on the status of the ASAAP program. ASA has about 280 facilities worldwide that are accredited to the ASA-100 program. 43% of the companies on the FAA database are accredited to the ASA-100 program.

Despite the financial challenges facing the world, ASA is nonetheless seeing growth in headcount and warehouse size among many ASA-100 accredited companies.

ASA is setting up a password-controlled forum for discussing QA issues. Brown explained that ASA will monitor this site.

ASA now has Twitter, Facebook and Linked-In pages.

J Dickstein provided a briefing on the current status of the AFRA Recycling BMP. He noted that AFRA will be meeting in December to discuss the draft Recycling BMP.

J Dickstein provided a briefing on new FAA Guidance. He discussed AC 25-19A on CMRs and explained the guidance's impact on systems' safety. He noted that distributors can use this guidance to supplement their own "risk assessment" protocols.

J Dickstein discussed AC 21-29A chg 2. He noted that this change updates the regulatory references to reflect the changes. The new version also emphasizes the newly-limited scope of "Commercial Parts." He discussed the importance of properly documenting the approval basis of parts to ensure that parts meet appropriate FAA standards.

M Dickstein provided a briefing on the proposed changes that the Association expects to see in AC 00-56B. She provided a list of the changes that ASA believes will be in the draft AC 00-56B that will be released by the FAA for public comment.

M Dickstein asked the Committee whether the Association should seek a definition of the term "certified true copy," consistent with the use in the ASA-100

standard. The term is used in the appendix to the AC 00-56A. She asked how this term affects electronic documentation protocols.

Webb explained that for electronic documentation, under FAA and ATA guidance, the electronic versions are all originals and the printed copies are all copies. Webb noted that the ASA proposal may be inconsistent with the electronic copy protocols. The current terminology in AC 00-56A may also be inconsistent with the published electronic copy protocols.

Bayne asked whether a copy made on a copy machine is a "certified true copy?" What additional needs to be done to make something a "certified true copy?" The President explained that the distributors' internal mechanisms are meant to prevent misuse of documents. For example, if a distributor gets a lot of 10,000 parts on one 8130-3 tag, then there should be controls for the parts released on copies of that original tag (such controls are described in FAA Order 8130.21).

Bayne asked whether this would force a revision to ISO 9000. The President noted that the AC 00-56 audit is to BOTH the third party standard and the AC. Thus the AC does not drive ISO 9000 language; instead the distributor must have a system that meets both standards. So an AC 00-56 change may drive changes to distributor's quality systems but does not intrinsically drive changes to the referenced standards.

The President noted that the terminology of AC 00-56 still is inconsistent with the ISO language. For example, the definition of "accreditation body" is different.

The President noted that the FAA is not proposing to change any of the quality system elements. FAA is removing unused standards from the list of acceptable standards. The President intends to replace the table of standards with a table that better clarifies who is authorized to audit to the acceptable standards. She also suggested that the FAA endorse AS 9100 and AS 9110 (FAA was only focused on AS 9120). The reason for this is because some parts sellers may not fit neatly into AS 9120. Today, there are AS 9100, AS 9110 and AS 9120 companies in the database.

Ringger suggested that if a company is a repair station and all they do is repair, then would customers who buy from them require them to hold something other than 9110? He noted that 9110 is not intended for parts distribution – but is only addressed to maintenance. As a consequence, AS 9110 does not include the elements traditionally required to support a parts supply/parts distribution mechanism.

Bayne feels that the table serves two different purposes. It identifies acceptable standards. The President noted that ANAB refuses to let its organizations put "AC 00-56" on an ANAB certificate, so those organizations issue different documentation to certify AC 00-56.

The FAA's current draft asks for evidence of the license to perform audits. The president noted that this is not the way that ISO 9000 works and ASA is seeking language that better reflects the way that ISO 9000 works. Similarly, the FAA draft is identifying who can perform audits and ASA wants to see language that permits reliance on the SAE OASIS database for the list of qualified auditors for their standard.

The FAA proposed language that seeks the right to go into the accreditation organization's records for distributor oversight purposes. ASA intends to seek a limit to this FAA language in order to require the FAA use its normal enforcement and investigation mechanisms to perform enforcement and investigation.

There was some discussion of the FAA's new proposal that certification bodies must notify the database if they revoke a certificate. Bayne suggested that the certification body community (ISO and AS standards) is unlikely to view this AC as binding on them and is unlikely to make the required notice to the database. Ringger suggested that if a registrar elects to perform AC 00-56 audits, then they ought to read the advisory circular and comply. Bayne's concern was not what ought to be done, but rather what will really be done. He stated that certification bodies feel that their certification is "the certification" and therefore they do not need to notify any third party when they revoke it.

George explained that under the new aerospace auditor rules, AS 9100, AS 9110 and AS 9120 are all separate qualifications for auditors and an auditor could be qualified to audit to one standard but not the others. He felt that this should be reflected in the language of AC 00-56B.

The FAA has proposed adding CAGE Codes to the list of data provided. The President asked for comments on this but there were none.

The President introduced the proposed new traceability chart for the AC and noted that it adheres to what the Committee had previously requested. The committee reviewed the FAA's proposed language.

George noted that AC 21-29C asks for a level of traceability that is not required by the traceability chart in AC 00-56. J Dickstein noted that these standards are 'enforced' through the accreditation bodies, while other traceability standards are often unenforceable because they conflict with the FAA's regulations.

The proposed language for the matrix includes new language requiring a statement that "the part may not meet other categories of the matrix." Ringger asked whether this changes the traditional material certifications? He asked whether such a statement may be a certifying statement that creates unusual or unnecessary liabilities on the distributor? The President explained that this language only applies to the last example and is not part of the requirement.

J Dickstein suggested that perhaps using the word "example" and numbering the four examples might be a resolution to the concern about potential misreading.

The FAA does not yet have a target for getting the AC out for public comment. ASA will submit its comments to the FAA and will work with the FAA to support their goals and efforts.

J Dickstein introduced LI 100-017. This LI changes the language to focus on parts previously used on public use aircraft because these can be operated or maintained outside of civil aviation norms.

The President distributed Dave Damron's email, which requested that language from a past Update Report article be added

Ringger feels that this is a shift from the prior focus, which was on source of supply, to a focus based on prior installation or operation of used parts. He noted that he likes the new language and the new focus, but wanted to point out that it is a shift in focus (and he feels that this better hits the point of airworthiness and safety).

Von Flue noted that more aircraft are going to be type certificated simultaneous with their qualification for defense use. The idea is that the military can swap parts back-and-forth between military program and commercial programs so the military can source parts from the commercial industry in order to save money and to improve logistics.

Anderson noted that a lot of things have changed over the years. Many military aircraft with civilian corollaries are now maintained by Part 145 organizations and are maintained according to commercial standards.

Goforth asked whether there would be concerns about the storage methods for parts held by the government or military? Ringger suggested that military organizations tend to have adequate facilities for storage (at least comparable to their civilian counterparts in the nation).

DECISION: The Committee unanimously voted to add the following recommended paragraph to the draft Letter of Interpretation:

> *This sort of disclosure should NOT be considered to be a bar to any transaction – it should merely alert a buyer or potential 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.*

DECISION: The Committee unanimously voted to approve the draft LI 100-017 (as amended) for report to the ASA Board as a recommended Letter of Interpretation.

J Dickstein introduced LI 100-018. This LI removes the term "serviceable."

Anderson asked the Committee if anyone was interested in defining "serviceable." Several people spoke in favor of replacing the term. No one favored defining "serviceable."

Ringger suggested focusing more on the term "airworthy" as a replacement for the term "serviceable." He had specific language that he proposed to the group.

Other terminology that may be used for segregation includes :

- "Airworthy" include parts known to meet that requirement (e.g. based on documentation of a prior finding)
- "As removed"
- "Repairable" has a connotation that it has been inspected and found repairable (for some, this appears to be included in the scope of "serviceable")

The group discussed the fact that there are a variety of strategies for segregation, and that the modern trend is that segregation may be accomplished through electronic methods, tagging methods, or other inventory control methods.

George pointed out that AC 21-29C section 6(b) uses the term "airworthy" to distinguish parts.

The air carriers use the term "serviceable" and there is no intent to remove that term from their vocabulary.

Heckart reminded the Committee that the reason for debating the term "serviceable" is because of previous expressions of discomfort by distributors who've raised concerns that we use a term that the FAA has stated they cannot define.

Anderson said that he plans to place a definition in his manual that the term "serviceable," for purposes of his system, means "airworthy." He suggested that the issue may be a matter of education.

Webb noted that there are five condition codes allowed on ILS. AR, FN, NS, SV, OH. That reflects the industry standard.

George noted that there are parts that are serviceable because they have been inspected and found repairable but this does not mean that they are airworthy (yet).

The President asked whether ILS defines "serviceable?" There appears to be no written definition of "serviceable."

Webb feels that the air carrier perspective should be the driving force here. As the air carriers are the customers, and they do not feel that this is an issue, we should not waste time trying to change something that is not really a concern. He explained that people who do not know what "serviceable" means should spend time in the industry to pick up the connotation of the term

DECISION: The Committee unanimously voted to leave section 3(D) as it currently reads, and to retain the term "serviceable" in that section.

The Committee examined the use of the term "serviceable in section 8(F). The President noted that if the Committee feels that the term "serviceable" does not add value, then it should be removed.

DECISION: The Committee unanimously voted to leave section 8(F) as it currently reads, and to retain the term "serviceable" in that section.

The Committee examined the use of the term "serviceable" in section 9(A).

George noted that this follows from section 6(f) of AC 00-56A and our changes should be consistent with that provision.

Scherer noted that the gas bottle on a slide can run out of time but slides won't be thrown away when the gas bottle reaches its expiration point (it will be overhauled). Thus the restrictions should not forbid issue of articles with expired parts when they normally might be issued as a core for future service/overhaul.

Ringger noted that many consumable with shelf life (adhesive, for example) may not yet be identified as aircraft parts. This is why the section identifies materials as well.

DECISION: The Committee unanimously voted to change section 9(A) as follows:

> **9. Shelf Life Control**
> **A.** The distributor shall have a system to adequately identify and control shelf life-limited parts and materials. The program shall specify a system that will assure that no expired material or part will be represented as

having remaining shelf life. This program includes component subassemblies containing shelf life-limited parts.

The President provided an update on what is going on with counterfeit parts. She explained that there is concern over counterfeit parts that have been received by NASA and the Department of Defense. ASA has worked with its partners to try and distinguish civil aviation because civil aviation has already successfully taken steps to address similar concerns.

The Committee examined draft LI 100-019. The LI proposes to require training on counterfeit parts and unapproved parts. It would update the language of ASA-100 to add a § 4(E) that states the following:

> "E. The distributor shall have a training program that addresses unapproved parts; and counterfeit parts and materials. Personnel involved in procurement, receiving inspection, shipping inspection and material control shall be trained."

In an email circulated before the meeting, Damron pointed out that this clause does not include personnel performing functions in procurement and materials control.

Ringger created a table examining the six functions (supervisor, inspector, shipping, receiving, procurement and materials control). The chart showed which training is necessary for each function under the standard.

The Committee discussed the level of training necessary. The current standard does not provide levels of training for other required training, and there is no need at this time to establish levels of training. The level of training is related to the needs of the business.

DECISION: The Committee unanimously voted to add a new section 4(E) as recommended in the draft (with one abstention).

J Dickstein provided a briefing on EASA and CAAC actions concerning distributor oversight.

The meeting was adjourned at 3:15 p.m.