



# Back to Birth Documentation Discussion for USM

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# Factors that drive the demand & value for surplus engines and parts

- Demand for “Green Time” thrust
- Expanded mature fleet product suite
- Open MRO network / broad trading community
- Strong shop visit forecast
- Availability of repairs
- Surplus parts meeting workscope technical objectives
- Right economic value

But, all this can be affected without agreement on appropriate records to commercialize USM



# How USM is transacted in the market...

<u>Sellers</u>	<u>GEAM / CFM Materials / Brokers</u>	<u>Buyers</u>
<i>Extract value from Used Material</i>	<i>Buy &amp; Resell Used Material</i>	<i>Acquire Used Material to lower mx cost</i>
Quickly, Minimal effort	✓	Quickly, Minimal effort
Highest price	✓	Lowest price
<b>Existing documentation</b>	?	<b>Maximum documentation</b>

Between sellers, brokers and buyers, there are hundreds of entities competing in the market

Brokers help enable the open market and satisfy requirements of Buyers and Sellers

Open and competitive market drives and retains overall asset value



# GE's documentation standard for Used Materials

## Requirements

- FAA 8130-3 or equivalent regulated statements for each part or Removal Tag depending on whether part is OH/AR
- Non-incident or ICS statements
- ATA 106
- Commercial Trace

## Additional Requirements for LLP

- Birth Document
- LLP History (Back to Birth)
  - LLP replacements
  - SV History
- Disk sheets of LLP
- Documents confirming LLP was not operated with Non-OEM (PMA & DER) influencing parts

**Unfortunately, there is a tremendous amount of variation to these standards in the market**



# IATA Aircraft Leasing Advisory Group (ALAG)

## Summary & Objectives:

Created under the Maintenance Cost Task Force to assist in all matters of aircraft leasing & develops policies, standards & recommendations relating to:

- Aircraft Leasing lifecycle
- Aircraft parts replacement
- Back to Birth record
- Delivery/redelivery conditions
- Methodology on maintenance reserves
- Coordination & cooperation with other relevant entities



## Requested Actions:

May 2018 meeting focused on Back to Birth, Incidence Clearance Statement (ICS) and Non Incidence Statement (NIS)

Standardization of BTB records along with ICS/IATA NIS

Alignment of regulatory requirement (must have) versus commercial requests (nice to have)

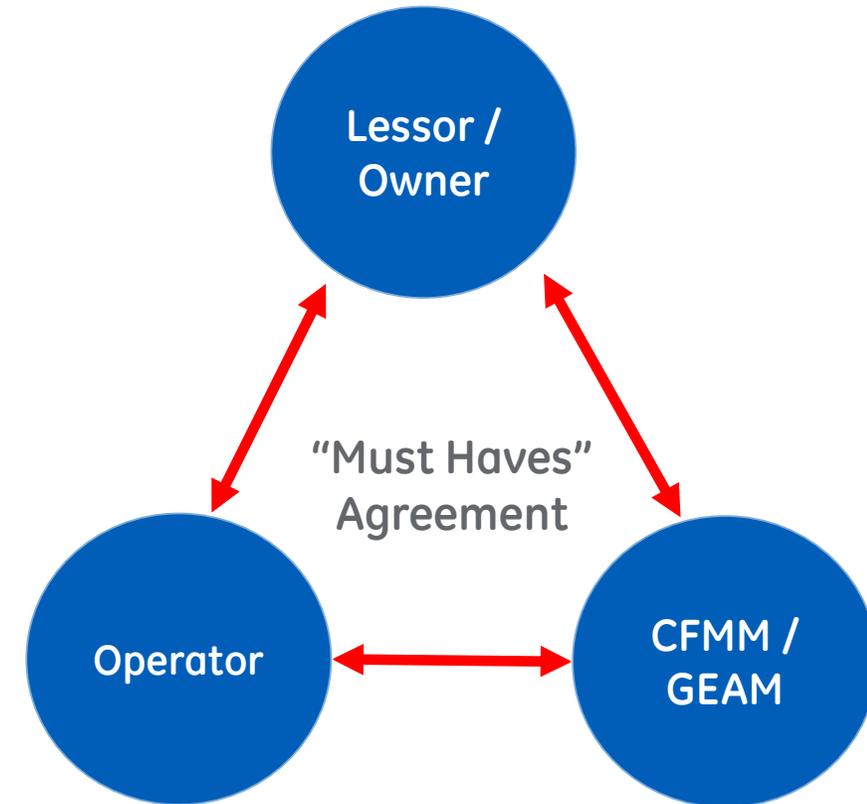
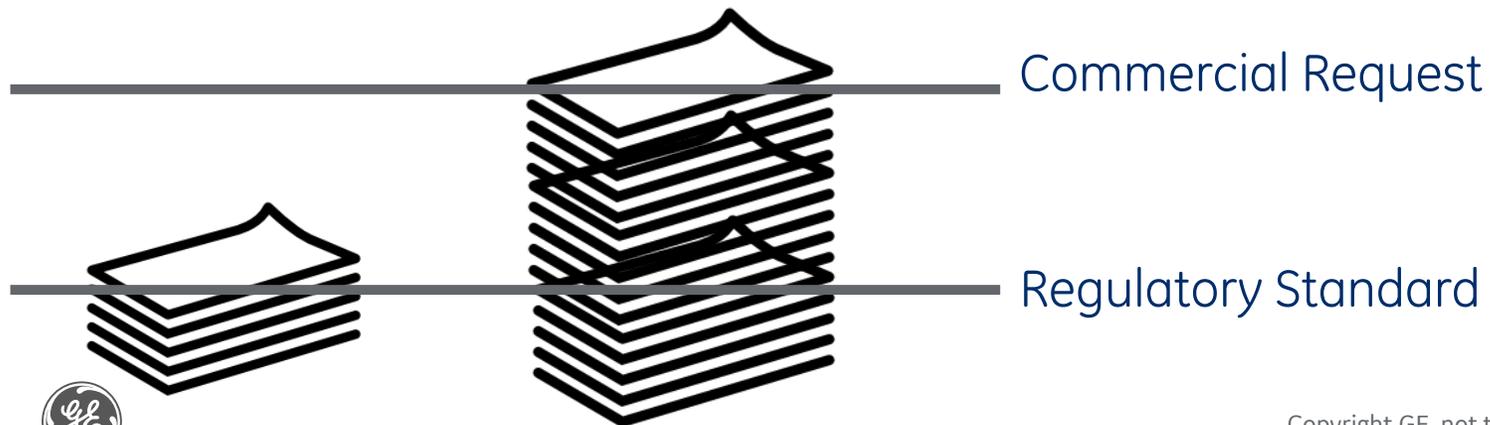
## Output & Next Steps:

Continued collaboration between ALAG and all stakeholders



# Potential Solution: Three way alignment

- Focus of Operators, Lessors, and GEAM/CFMM
  - Confidence in the safety of the used serviceable material
  - Ensure confidence of no issues at lease return
- Connecting all parties with transparency
  - Success in tri-party calls and meetings
  - Intent of regulatory threshold
  - Collaborative approach while maintaining efficiency
- Similar end goal... distinguish “must haves” from “nice to haves”



# Summary

- There will be continued growth of USM availability tied to retirements
- Strong demand driven by open MRO network and solutions choices
- Increasing records requirements can limit the use of available supply
- Connecting paperwork requirements to ongoing quality procedures retains (increases?) ultimate value of the asset
- Need your help to define “must have” vs. “nice to have”
- Collaboration & communication critical in resolving discrepancies



