

Meeting will start at 11 AM eastern  
MEETING WILL BE RECORDED

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# ASA Quality Committee



JULY 28, 2020

ASA QUALITY COMMITTEE - INFORMATION RESTRICTED TO  
COMMITTEE USE

# Welcoming Remarks

## QC Chairperson

- Chris Anderson, Aviation Quality & Operations Director, MidAmerican Aerospace

## ASA Support Staff for Quality Committee

- Michele Dickstein, President
- Jason Dickstein, General Counsel
- Sam O'Connor, VP Technical Services

## Meeting protocol

- Attendees will join muted
- If you have a question or comment, use the chat feature to be recognized
- We will turn on your mic and you may turn on your camera for video
- We will mute your mic once the question or comment has been answered/completed and you will turn off video



# AGENDA

11:00 am	Welcome; Antitrust Statement	Anderson, J Dickstein, Committee
11:10 am	ASA Announcements	M Dickstein
11:15 am	8130-3 tag white paper and changes	J Dickstein
11:25 am	IATA LLP Guidance; and remaining issues	J Dickstein
11:35 am	CAAC Application Status	J Dickstein
11:40 am	SPEC 300 Status	O'Connor
11:45 am	Remote Auditing Status	O'Connor
11:50 am	Remote Auditing Survey and potential use of the data to support application to the FAA for changes to the AC 00-56 system	O'Connor
11:55 am	Subcommittee project: ASA Statement and Feedback Review	J Dickstein
12:00 noon	Subcommittee project: hazard taxonomy and list of hazards typically found in an aircraft parts distribution environment	O'Connor
12:05 pm	Subcommittee project: Best practices on supplier approval	O'Connor
12:10 pm	Subcommittee project: A survey - and subcommittee review of the survey - to identify what the ASA community wants ASA to do to best-support their efforts during and after Covid-19	M Dickstein
12:20 pm	Discussion of Covid-19-related issues	M Dickstein, Anderson, Committee
12:25 pm	New Business / Questions / Next Meeting	J Dickstein, Committee
12:30 pm	<b>ADJOURN</b>	



# ANTITRUST STATEMENT

As a matter of policy and practice, ASA will not lead nor participate in discussions that could violate the existing competition laws of the United States.

In order to help facilitate compliance, there are four areas of discussion that ASA members should always avoid at ASA meetings:

- 1) Agreements to do business, or to refuse to do business, with any company that buys or sells aircraft parts;
- 2) Agreements concerning any issue that affects price, including labor costs, standard discounts, etc.;
- 3) Agreements to divide, allocate, or otherwise limit markets. This includes geographical limitations (e.g. you sell West of the Mississippi and I will sell to the East) and well as other allocation strategies (you sell exclusively to air carrier X and I will sell to air carrier Y);
- 4) Agreements to limit production or availability of parts.

By avoiding these subject areas, we make it less likely that we will inadvertently enter into an agreement in restraint of trade of the sort that is forbidden by existing law.

Anyone who wishes to discuss subject matters falling within one or more of these areas should seek legal counsel and should also engage in such discussions outside of the supervision or control of ASA.

Antitrust laws can be counter-intuitive to most business people. Please do not hesitate to ask ASA's legal staff if you are uncertain about whether your proposed topic of discussion bears potential antitrust jeopardy.

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# ASA ANNOUNCEMENTS

How is ASA?

## Webinar Series

- Peer-To-Peer Conversation for Small Business Owners
- Insights into FAA and DoD Testing
- Supply Chain Risks

## Online Training Powered by Butterfly

- ESD
- Self-Audit
- More being released shortly

## Board of Directors Nomination Period

- Nominations through August 1st
- Election starts August 5th and ends August 26th
  - **Lee Kapel**, TSI Aviation, Inc.;
  - **Brent Webb**, Aircraft Inventory Management & Services, LTD.; and
  - **Mitch Weinberg**, International Aircraft Associates, Inc.



# QC Upcoming Calendar Notes

September 8th at 12 pm

- Presentation on member survey regarding impact from COVID

September 29th at 11 am eastern

- COVID Challenges and Solutions Discussion Group
- Meet every 2 months or sooner if needed
- Open to QC Members

December 8, 2020

- QC Winter Meeting - Virtual
- 11 am – 12:30 pm Eastern

July 18, 2021

- Summer Meeting
- Live
- Omni Interlocken Resort – near Denver Colorado



# ASA Government Affairs Topics

11:15 – 11:40

- International 8130-3 Tags
- LLP Documentation
- Chinese acceptance of accreditation

11:55 – noon

- ASA Statement and Feedback



# 8130-3 History

- No other nation distinguishes between export and domestic tags the way that the United States does
- The original reason for the distinction between “export” and “domestic” 8130-3 tags is because until the 1990s, *distributors were forbidden from applying for the export 8130-3 tag*
- “Domestic Tags” were export tags without the destination information (exporters were responsible for special conditions)
- ASA worked with the FAA to create a domestic tag that DARs could issue, and distributors could obtain as a substitute for the export tag
- Then, ASA worked with the FAA to obtain an exemption permitting ASA members to apply for the export tag
- Finally, ASA worked with the FAA to change the regulations to permit all exporters to apply for an export 8130-3 tag (the only type of tag recognized in the regulations)



# Eliminating a Meaningless Distinction

- Once the regulations allowed any exporter to apply for an export tag, there was no longer a regulatory need for the domestic tags
- But domestic users had become attached to the traceability, so the domestic tag took on a new role to support US domestic transactions
- We started to recognize problems with the “export” tag, such as refusal of foreign buyers to accept a part that had been certified to a different destination
- Through 2016, ASA worked with the FAA on eliminating the distinction between export and domestic 8130-3 tag
  - FAA issued a policy letter forbidding the creation of an 8130-3 with a destination, or with the word “export”
  - FAA issued letters to all of our bilateral trading partners informing them that we would be issuing only one form of tag
  - ASA met with foreign authorities to support this



# The Problem

- Merging 8130-3s back into one form was consistent with International norms, and supported safety while eliminating some unnecessary commercial barriers
- Returning to the original regulatory intent, exporters are expected to comply with the import requirements of importing nations
- While most guidance was changed to support the new direction, the designee guidance was not changed
  - Designee guidance still distinguishes between export and domestic tags
  - Recent designee guidance seems to potentially suggest that designees must identify whether the component is intended to be exported



# The Solution

- The FAA recognizes that these issues inhibit commerce with no correlative safety benefit
  - Preventing safe parts from being accepted may actually undermine safety
- The FAA has been active partner with ASA to identify
  - The regulatory philosophy behind the current policy, and
  - The guidance that needs to be changed to fully support the 2016 changes
- ASA and the FAA have co-written a White Paper that identifies the safety and regulatory issues and lays out an agreed-upon approach to solve the problem



# Common LLP Requirements within the EASA (EU) and FAA (US) Systems

- Design Approval Holders are responsible for publishing airworthiness limitations
  - Normally, these are for components whose failure cannot be mitigated through redundancy
  - Components are tested to ascertain life, and then a life-limit is established at a safe point before failure would be a reasonable concern
  - The expectation is that parts will be removed before, or upon, reaching the airworthiness limitation
- Manufacturers are required to mark LLPs with a serial number so they can be uniquely-tracked
- Aircraft Owner/operators are required to know current life status so they can exercise their airworthiness limitations obligations
- Aircraft Owner/operators are required to provide LLP status upon aircraft transfer
- Neither system requires back-to-birth records (*but see next page for EASA engine requirements*)



# US vs. EU – Some LLP Differences

EASA (EU)	FAA (US)
Owners must have a <u>system</u> for retaining total time in service.	Owner need only know total time in service.
Continuous Airworthiness Maintenance Organizations (CAMOs), which do not exist in the FAA system, are obliged to control the LLPs.	Installers (at the time of installation) and owner/operators have obligations with respect to controlling LLPs.
Engine LLP records will require a full set of prior installation records in those cases where the life varies depending on the characteristics of the installed engine(s). Back-to-birth records may reflect a mechanism for accomplishing this.	Back-to-birth records are specifically not required according to FAA policy. They are nonetheless looked upon as an important commercial mechanism for confirming current life status.
When a life-limited part is removed from an aircraft and the remover intends to attach an EASA Form 1 to the part, then the removed should first establish the appropriate life status of the part.	When a life-limited part is removed from an aircraft the remover must control the LLP to prevent installation after the life limit (e.g. through marking, tagging, or other records).



# LLP Conclusions

- There is a baseline of common LLP requirements that applies across commercial aviation
- Most of the “requirements” facing the industry are commercial norms, rather than regulatory obligations
- Some of these commercial norms have been the source of unnecessary commercial frustration
- An LLP standard that can focus on the minimum standards necessary to meet ICAO standards, as those standards have been implemented by the largest regulatory authorities, would help to eliminate some of the frustrations encountered by the industry



# LLP Conclusions continued

Below is the link to the LLP document.

<https://www.iata.org/contentassets/b94a0e7f14694efe8b72ca1b73052f05/llp-traceability-1st-ed-2020.pdf>

The point of contact is Chris Markou within IATA for the LLP.



# LLP White Paper

- IATA has published a first draft of a White Paper to establish a standard for engine LLP documentation
  - The standard features a strong emphasis on electronic documentation
- We are working with IATA some remaining issues, which include:
  - Mischaracterization of distributor core interests relative to documentation
  - Failure to have a mechanism to permit pre-existing parts to enter the new documentation paradigm
  - Failure to have a mechanism to permit the market to start a documentation path for LLPs where the manufacturer has not adopted the IATA paradigm
  - Retention of purely commercial elements in a document that was supposed to focus on solely airworthiness elements
  - Imposes on distributors a record “upkeep” obligation without ensuring that the distributor will have necessary access to perform “upkeep”



# International Acceptance of Accreditation

- Although AC 00-56 started its life as a US program, it quickly became international in scope
- Today, there are accredited distributors on every continent except Antarctica
- EASA recognized the AC 00-56 program and ASA-100 standard in its rules, which require repair stations to control suppliers, and its guidance, which authorizes reliance on ASA-100 as a recognized standard
- ASA has been actively working with the Civil Aviation Authority of China (CAAC) to achieve similar recognition in China



# International Acceptance of Accreditation: China

- ASA has been working with the Civil Aviation Authority of China (CAAC) on protocols for aircraft parts suppliers
  - CAAC has issued an Information Bulletin that provides the rules for applying for Chinese recognition as a distributor-accreditation-body
  - ASA was supposed to make a presentation on this basis to CAAC in March
  - ASA has been developing a written submission in lieu of the presentation
- ASA has been working with the Civil Aviation Maintenance Association of China (CAMAC) on the same project
  - CAMAC accredits distributors in China, and provides recurring oversight to repair stations
  - We have been working to share best practices, and we hope to develop a more formal relationship for sharing audit best practices to facilitate excellence in auditing



# Future Expectations

## Short term

- It appears that Chinese customers are already asking for ASA-100, based on the work we've already accomplished with CAAC

## Medium term

- ASA will work with CAAC to seek formal recognition under their system

## Long term

- ASA will work with CAAC to ensure continued cooperation, just as we work with EASA and FAA; ASA expects this to result in a more open Chinese air carrier market for parts sold by ASA-100 accreditees



# ATA Spec 300 2020.1 Release

A review of the 2020.1 release of Spec 300 was performed by ASA to verify if there is any impact to the ASA-100 revision 5.0 standard and distribution industry.

There are four specific changes identified in this release.

**Change 1:** is in the license agreement section I, has no impact on ASA-100 or the ASA best practice document.

**Change 2:** is in figure 6.2.1, this figure differs slightly in the warning label examples listed in our best practice ESD document. In our best practice document we list an additional warning label with an electrical bolt within a circle. I have performed a web search and reviewed MIL STD 129 and do not find this symbol at all. I did find a warning label with a electrical bolt surrounded by a triangle. I would recommend changing the examples to reference only recognized symbols. This does not change the ASA-100 standard. Recommend is to have Roy Resto to review and update the Best Practice.



# ATA Spec 300 2020.1 Release continued

**Change 3:** The updated text in section 6.3.1 has no impact on ASA-100 or the ESD best practice document.

**Change 4:** The added section 9 on case maintenance has no impact on ASA-100 or the ESD best practice document.

**Outcome: No change to ASA-100,** The existing Letter of Interpretation LI 100-009 is still valid and possible change to the Best Practice.



# Remote Auditing Status

ASA / ASACB have been granted approval to perform remote auditing from the FAA for ASA-100 and the IAQG for ISO/AS audits through December 31, 2020 as a result the Covid-19 Pandemic.

There have been 116 ASA-100 and 80 ISO/AS audits completed and or scheduled through July 2020.

ASA / ASACB is constantly reviewing and improving how remote audits are being performed with feedback from our auditor's and clients.

ASA / ASACB use the following in the planning, coordination and performance of remote audits.

- ScheduleIt – Master Scheduler for ASA-100 and ISO/AS audits
- Intelex Audit Management System – ASA-100 / ISO audits
- IAQG platform – AS audits
- Covid-19 Risk Survey – ISO/AS audits



# Remote Auditing Status

A robust preplanning effort is accomplished for every audit type. Preplanning includes and is not limited to the following:

- review of the previous audit outcome (nonconformances/corrective action)
- status of the organizations business and changes since the last audit
- and customer feedback.

Once an audit date is confirmed, the auditor contacts the organization and sets a walkthrough of the Anymeeting video conference platform. This allow for any technical issues to be identified and corrected before the audit date. If the technical issue is unable to be corrected, then an alternate video conferencing platform will be identified and utilized.



# Remote Auditing Status

ISO/AS remote audits must have a risk analysis performed for every request of a remote audit. This analysis is performed based on the responses to our Covid-19 survey which each organization must complete. ASACB is required by IAQG and its Accreditation Body to have these analysis on file and available for review if requested. Our Risk Analysis process had to be approved by our Accreditation Body before we were able to perform remote audits.

A detailed audit agenda is created for both ASA-100 and ISO/AS based audits this allows for us to ensure people will be available at defined timeframes during the audit. We learned very early on that the agenda must list include breaks during the audit day so all participants can clear their head and to take care of business matters as needed.



# Remote Auditing Status

ASA / ASACB will request the following information prior to the commencement of the audit:

- Quality manual (ASA and ISO based audits)
- Procedures (ASA and ISO based audits)
- Self-Audit/Internal Audit (ASA and ISO based audits)
- Management Review (ISO based audits)
- Customer Feedback/Complaints (ASA and ISO based audits)

ASA / ASACB may request these additional items:

- A list of active sales orders
- A list of the top five suppliers/vendors purchase orders
- A list of items shipped within the last 6 months
- Pictures or a video of your facility



# Remote Auditing Survey

Goal is to confirm compliance to the requirements

- Validate that the remote audits are effective, allow for appropriate depth in auditing to determine compliance
- Determine if remote audit can add value to the process
- Hope is that the results support requesting from the FAA remote auditing as part of the AC 00-56 scheme
  - Temporary approval if needed due to risk of onsite audits
  - Permanent approval allowing remote auditing, with restriction that at minimum one of the audits during a certificate cycle is conducted onsite

Develop the case, need documented information and plan is to use a survey mechanism. Review the data and see if it supports case for extension of remote auditing



# ASA Government Affairs Topics

11:55 – noon

- ASA Statement and Feedback



# ASA Statement

- The ASA Statement is a modern parts statement intended to meet the disclosure requirements of AC 00-56B
  - Intended to eliminate unwanted/unnecessary liabilities that are often unintentionally adopted by those who make certifications
  - Intended to make it easy to pass along valuable airworthiness information
  - Includes an incident clearance statement
  - Formatted to make it easy to see a summary of everything you need to know for receiving
- The Quality Committee spent over a year developing the Statement
- The Board has approved the work accomplished by the Quality Committee
- ASA Membership voted during the ASA Annual Conference to name the form ASA Statement Form 2020



# ASA Statement Feedback

- ASA expects to manage the ASA Statement on a continuous basis through the ASA Quality Committee, just as we manage the ASA-100 standard
- As part of this process, we will solicit comments at the end of ASA-100
- As part of this process, we intend to create a subcommittee to review comments and develop proposals for consideration and debate by the ASA QA Committee
  - We hope to receive lots of useful comments so we can continuously improve the ASA Statement
  - Until we start receiving such comments, the work of this subcommittee may be limited
  - Once we start receiving such comments, the work of this subcommittee may be quite active



# SubCommittee Hazard Taxonomy

Safety Management System development and implementation is taking hold within the commercial aviation industry and civil aviation authorities have begun looking into ways to manage and support SMS efforts on a global scale.

As a result ASA has determined we should be proactive in preparing our industry for SMS. ASA is calling for volunteers to join a subcommittee to participate in defining, creating and implementing a hazard taxonomy guidance document specific to our industry.



# Hazard Taxonomy continued

Taxonomy is about organizing and classifying. The scope of the subcommittee for Hazard Taxonomy will be about (1) identifying common safety hazards in the distribution business and (2) organizing and classifying hazards within a taxonomical tree. These two efforts should be synergistic, with identified hazards leading to taxonomical classification, and identification of classifications helping to stimulate the identification of additional hazards within the classification.



# Hazard Taxonomy continued

The following is an example of a Hazard Taxonomical document may be formatted.

Type of Organization	Type of activity/infrastructure/system	Example of Hazards	Hazard Mitigations (Future use)
Distribution Organization	Management	Lack or incomplete description of roles, accountabilities and responsibilities	
		Growth, Strikes, recession or organizational Financial stress	



# Hazard Taxonomy continued

- The Hazard Taxonomy subcommittee will meet via video conferencing monthly per a defined schedule.
- Subcommittee work will be shared amongst participants via email and discussed via phone conferencing as deemed necessary.
- All subcommittee deliverables will be submitted for review to ASA executive management, ASA legal counsel and the Quality Committee.
- Call for Subcommittee participants



# Subcommittee Best Practice for Supplier Approval

The ASA-100 standard revision 5.0 release includes the following requirement "The distributor shall describe the criteria for supplier approval" in section 5c.

The Quality Committee management team of ASA has determined it would be beneficial to create a Best Practices document (BPD) on the topic of Supplier Approval. This BPD will provide examples which may be used in the creation of a distributor's supplier approval program.



# Best Practice for Supplier Approval continued

This Best Practice Document will be formatted into the following sections/categories.

1. Choosing and Approving a New Supplier/Vendor
  - Defining Criteria on how to add a supplier
  - Defining Classification of approvals
  - Defining required records of approval process
2. On-Going Monitor/Measurement of Supplier/Vendor
  - Defining performance metrics and thresholds
  - Defining actions required when thresholds not achieved
  - Define frequency for review of metrics
  - Define frequency for notification to Supplier/Vendor on performance
3. Removal of an Approved Supplier/Vendor
  - Define process for removal of approved Supplier/Vendor



# Best Practice for Supplier Approval continued

- The Supplier Approval subcommittee will meet via video conferencing monthly per a defined schedule.
- Subcommittee work will be shared amongst participants via email and discussed via phone conferencing as deemed necessary.
- All subcommittee deliverables will be submitted for review to ASA executive management, ASA legal counsel and the Quality Committee.
- Call for Subcommittee participants



# Subcommittee – What does the Quality Community Need Support with During COVID crisis

The QC Management Team wants to ensure that the work done today assists the Quality and Operations personnel, not only today but also for the recovery period.

- Training
- Documentation
- Business Transactions
- Streamlining



# COVID Operation Comments

- Restricted Access to Facility by Non-Employees
- Employee Sick and Showing to Work
- Shared Lunch/Meeting Area
- Masks not being worn in non-office space
- Masks not being worn properly
- Communication with Staff about activities outside of work



# NEW BUSINESS

Open Discussion

