ASA Quality Committee Meeting
July 28, 2020

Michele Dickstein opened the meeting with notes on the format. The meeting was recorded and may be viewed by contacting ASA for access.

The meeting was sponsored by Aersale.

Chris Anderson welcomed attendees with an overview of the agenda. Sam O'Connor expanded on meeting protocol.

Jason Dickstein offered the antitrust statement advising attendees to avoid engaging in discussions that could violation competition laws and ASA will not lead such discussions.
-Avoid (among other discussions): 1) horizontal agreements; 2) agreements affecting pricing; 3) agreements to divide or allocate markets; and 4) agreements to limit production or availability of parts.
-Attendees should ask Michele Dickstein or Jason Dickstein if they have questions about competition.

Michele Dickstein reviewed the agenda.

Michele Dickstein provided general overview and update on ASA. She mentioned the hope to be able to hold in person meetings in the near future, at this point the thought is we may be back at in person events in 2021.

- In the meantime, Michele Dickstein, Jason Dickstein, Sam O'Connor, and Chris Anderson are meeting virtually to discuss initiatives valuable to members.
- ASA Staff is currently working remotely (this is a small change, because only HQ staff was in Washington, DC; everyone else was already remote). Currently, work-from-home is efficient; an ASA staff member left in January and that position was never filled, that is one of the reasons operational cost has been controlled. Employees also agreed to temporary pay reductions, however, there has been no reduction in workload. ASA remains busy.
- ASA will resume the complimentary webinar series, which was well received by members and deemed to be successful at the beginning of the quarantine period. It was necessary to take a break for planning of webinar series through the end of 2020. Attendees of each webinar are sent a survey to complete and may provide webinar topics to ASA for a potential future webinar.
- Online training powered by Butterfly presently includes ESD and Self-Auditing. New Training modules are currently in the development phase. The planned release of the additional online trainings is targeted for the fourth quarter of 2020.
- Board of Director nominations are open through August 1, 2020. The BoD election runs from August 5 through August 26, 2020. The Current directors whose term is expiring are Lee Kapel, Brent Webb, and Mitch Weinberg.
- On Sept. 8, 2020 at 12:00 noon a webinar will be provided that will review results of the member survey relating to the impact of COVID-19.
- On Sept 29, 2020 at 11:00 am there will be tele-conference to discuss Covid-19 challenges. ASA will hold a tele-conference on this topic every 2 months.

- The QC management team decided the Winter meeting will again be in a virtual format and held on December 8, 2020.
- The annual QC Meeting for 2021 will be held on July 18, 2021 at the Omni Interlocken Resort and Hotel in Denver, Colorado.

Jason Dickstein offered a discussion on ASA Government Affairs relating to:

8130-3 Issues.

- The U.S. has moved away from distinguishing between export and domestic tags, because it inhibited use of parts on a documentation basis, not a safety basis.
- The original distinction arose because the original form 186 (predecessor to 8130-3) was rarely used, but as international bilaterals rose in prominence and required tags, an unforeseen effect occurred that precluded distributors from obtaining tags which proved to inhibit trade. Only manufacturers could apply for export tags.
    o ASA worked with the FAA to develop a "domestic" tag, because export tags were forbidden to distributors. The domestic tag was a creation of policy (not regulation) so it could be made available to distributors. Domestic tags were just export tags without destinations. ASA then worked with FAA to obtain an exemption to allow distributors to apply for export tags. Finally, ASA worked with the FAA to change regulations to allow all exporters to apply for export 8130-3 tags, rendering the exemption moot.
- The domestic tag continued because at about the same time NWA embraced the use of the "domestic" tag; domestic carriers began to rely on the tag, so a commercial rationale arose for retaining the tag.
- We began to identify problems with tags, including export tags. Namely, the tags indicated a destination. So, the tag would impede commerce when a part originally exported to one country was then reexported to a third destination. The tag indicated a different country even though both countries' safety requirements were the same.
- Over the last several years the FAA has worked with ASA to eliminate the distinction between domestic and export tags. This was done through policy forbidding designees from indicating countries and "export" or "domestic." The FAA simultaneously notified bilateral partners that they should no longer expect to see export statements and destination countries on tags. The FAA and ASA also met with foreign authorities in person to explain the change and explain that the "new" paradigm was the same as existed between almost every other country.
- A problem arose because the new FAA guidance did not update designee guidance, so there is still a distinction in designee guidance between domestic and export. These requirements undermine the recent changes.
- ASA has worked with FAA to establish the regulatory philosophy to be pursued and to help identify guidance material that needs to be revised.
- ASA developed with the FAA a white paper that identifies safety and regulatory issues and develops an agreed upon approach to resolve the issue and catch designees up to the rest of the FAA's policy.
- This should help if distributors run into designees who claim issues regarding the need for "export" tags, export function codes, or identifying or indicating destination nations.

- This white paper should ultimately help reduce a barrier to trade.

LLP Documentation

- ASA worked with IATA to develop LLP documents, led by Mitch Weinberg.
- Internationally, standards for LLPs are largely uniform
- Identify the LLP, mark the LLP in accordance with regulations, issue ALS in the manual and identify life limits, and serialize LLPs to track life limits.
- Owners/operators have an obligation to know and track those limits and not operate beyond them.
- There are some minor differences between the EU and US, and most countries have adopted one system or the other.
    - These systems are largely the same, but with some minor differences in approach. The information relevant to safety is the same.
- There is a baseline of LLP requirements in regulations. The difference arises in a commercial context. These far exceed regulatory requirements and have become a source of frustration.
    - As more companies begin to recognize the cost of LLP documentation (for instance leasing companies) they have begun to move in a less-burdensome direction on required documentation.
    - Large companies with own interests are starting to get involved, including large finance/lease companies and manufacturers.
    - IATA has published a first draft white paper on LLPs and ASA continues to work with IATA on certain issues, including:
        - clarifying distributor core interests
        - a mechanism to permit pre-existing parts to enter new documentation paradigm
        - a mechanism to start a documentation path for LLPs originating outside IATA paradigm
        - address commercial elements in documents that are only intended to track regulatory requirements
        - Address document upkeep requirements that exist without commensurate data access requirements.
                -This could include a mechanism to pass electronic records with controls that prevent changing past records
- This should eliminate some LLP issues and make LLPs a bit easier to navigate.
- The next revision of IATA LLP guidance should be out in December.

International Acceptance of Accreditation

- Since AC 00-56's inception as a U.S. program it has expanded to an international scope
- EASA recognizes the 00-56 standard as an acceptable mechanism for controlling suppliers, which is a regulatory requirement
- ASA is currently working with CAAC to obtain similar recognition in China

- o Working with both CAAC (regulator) and CAMAC (trade association). CAMAC actually provides oversight over repair stations certificated by CAAC and oversees distributors.
  - ▪ Chinese customers are already asking for ASA-100.
    - o We had planned to meet with CAAC for formal recognition in March, but we have had years of communication about ASA-100 and they have grown comfortable with ASA-100 notwithstanding our inability to meet as planned.
    - o Now are seeking formal recognition via written application in accordance with CAAC information bulletins. We recognize the political climate is challenging but hope that it will not affect this initiative.
    - o -Long-term, ASA will work with CAAC to ensure continued cooperation as with EASA and FAA; we expect the result will be a more open Chinese market.

Sam O'Connor Inquired: When will 8103-3 white paper be out?
Jason Dickstein Responded: We are meeting with the FAA immediately following the QC meeting to close it out; the hope is that this will be the final meeting to close out final draft. The next step is to circulate the white paper within FAA to upper management as a work program to make changes to internal guidance. We haven't discussed circulating to industry because it was intended to be an FAA work program to make internal changes. If FAA partners are comfortable publishing the paper to industry than we will do so.

Sam O'Connor discussed ATA Spec 300 2020.1 release.

ASA reviewed to ensure there is no conflict or impact on ASA-100
- ▪ Change 1: there is a license agreement in section 1. No impact on ASA-100 or best practices.
- ▪ Change 2: Fig. 6.2.1 differs slightly in warning label examples in ESD best practices doc. Our BP doc has an electrical bolt within a circle; this symbol does not appear to be in other standards. O'Connor recommends changing symbols to only recognized symbols. This doesn't change the standard but is good for consistency.
- ▪ Change 3: Updated text in 6.3.1. No impact on ASA-100 or ESD BP.
- ▪ Change 4: Added section 9 on case maintenance. No impact on ASA-100 or BP docs.

Outcome: no change to ASA-100. The existing Letter of Interpretation LI 100-009 is still valid. ASA shall present to A4A proposed changes to the new revision that were not addressed in this release. ASA shall have Roy Resto review the BP for ESD for any changes/updates.

Remote Auditing

- ▪ FAA and IAQG granted approval to perform remote audits under ASA1900 and ISO/AS through Dec. 31, 2020.
- ▪ ASA has been busy with audits. 116 ASA-100 and 80 ISO/AS through July 2020.
  - o ISO audits cover more elements than ASA-100 audits, so are more time intensive.
- ▪ ASA/ASACB continuously reviews and updates audit process based on feedback from auditors and clients

- We are using the same scheduling and management tools for remote audits as we would for on-site audits.
- For remote audits there is a robust preplanning effort for each audit type. Preplanning includes review of previous outcomes, status of auditee changes, and customer feedback.
- Prior to performance of the remote audit there is a walkthrough of the video conference platform to identify and work out technical issues. If tech issues cannot be resolved, then a different video platform will be used.
- We have also begun COVID risk surveys for ISO/AS audits.
- ISO/AS audits have risk analysis prior to remote audit being performed. This is in response to COVID 19 survey result. This has industry mandated questions. Risk analysis must be finalized prior to remote audit.
- All audits have detailed audit agenda to ensure efficient and effective use of time.
  - Also learned that we must build in breaks to reflect actual breaks during onsite audits because without breaks people get worn down. Audits are more effective with breaks as with an in-person audit.
- Prior to audit we request at a minimum: quality manual, procedures, self-audit/internal audits, management review (ISO/AS only), and customer feedback
  - We may also request: a list of active sales orders, top five suppliers/vendors POs, list of items shipped in the last 6 months, and pictures/videos of the facility
- The goal is to confirm compliance to requirements
  - We seek to validate that remote audits are effective and appropriate to determine compliance
  - Identify and improve process and determine if remote audits can add value to the process over the long term (post COVID).
  - If results support it, we will ask the FAA to make remote auditing part of AC 00-56. The goal would be to make the current temporary approval due to COVID risk a permanent feature and allow for a once-per-cycle use of remote audits.
  - We need data to develop and make the case if the case is supported.
  - Feedback at December meeting

Jason Dickstein discussed subcommittee projects/formations:

ASA Statement
- Creating a Statement intended to be a modern Part Statement.
  - Eliminate unwanted liability
  - Make it easier to pass along valuable airworthiness information
- This document has been approved for use.
- We want to make sure this is a living document. ASA-100 is powerful because we meet twice a year and make sure it is in-step with industry. We want to do same thing with the ASA Statement
  - Creating subcommittee to review recommendations concerning the statement and to process those recommendations into recommendations for the Quality Committee to accept or reject.

- o This subcommittee will likely be of an ongoing nature because we want the ASA Statement to be a living document. It will likely be very active, but also have a lot of impact.

Sam O'Connor Inquired: When ASA Statement will be available online?

Michele Dickstein Responded: August 15.

O'Connor discussed subcommittee on Hazard Taxonomy

- There is currently no flow down to distributors for SMS. Recall that originally there was not a QMS requirement for distributors, but this became an industry requirement
- ASA is calling for volunteers in order to be proactive regarding SMS. The goal is to define, create, and implement a hazard taxonomy guidance document specific to distributors.
- Subcommittee will meet via video conferencing, share work via email and discuss over phone as necessary; deliverables will be reviewed by ASA executive management, legal, and Quality Committee.

Sam O'Connor discussed subcommittee on Best Practices for Supplier Approval

ASA-100 5.0 requires that distributors shall describe the criteria for supplier approval in section 5c.
- We didn't elaborate in the Standard but determined that a BP document would be beneficial. Include examples that may be used in creation of distributor's supplier approval program. This guidance is intended to be illustrative but not binding or mandatory.
  - o An outline has already been created as a recommendation to the to-be-formed subcommittee and is subject to review by the subcommittee. It includes:
    1) Choosing and approving a new supplier/vendor
    2) Ongoing monitoring/measurement of supplier/vendor
    3) Removal of an approved supplier/vendor
- Participation expectations will be similar to the Hazard Taxonomy subcommittee

Michele Dickstein: There will also be a subcommittee to discuss Needed Support During COVID

Michele Dickstein discussed some COVID operation issues
- These have been identified during audits and in talking to companies
  1) Restrict access to facility by non-employees
  2) No sick people coming to work
  3) Consider procedures regarding shared lunch/meeting areas
  4) Masks being worn in public areas; worn improperly
  5) communication with staff about non-work activities

Michele Dickstein opened the meeting to questions and new business.

Roy Resto Clarified: Purpose of BP on ESD is not to tell you as if you were a manufacturer that you MUST use a symbol. The purpose is only to notify you that these are examples of symbols you MAY see on ESD items. There are examples out there of the symbol in question.

Michele Dickstein Responded: The new Spec 300 has added a symbol, so we may need to add that; we also want to make sure the symbols we have are currently accurate

Roy Resto Commented: There are ~50 ESD symbols. People should be aware, but we shouldn't try to capture everything. Just be aware. Roy Resto will review, and it should be a small matter to add a new symbol to the BP.

Kevin Flynn Inquired: How will AFRA audits be handled?

Michele Dickstein Responded: ASA doesn't speak on behalf of AFRA; however, ASA does handle audits for AFRA. Audits can be done remotely or onsite; it needs to be discussed with the AFRA clients. ASA's preference is for remote audits, this is to minimizing risk and ASA does not want to send in an auditor who potentially adds to the risk of Covid-19 exposure/transmission. ASA hasn't performed AFRA audits in the past two months, however ASA is booking AFRA audits for the end of the year.

The discussion transitioned to examples on how organizations are handling operations due to the Covid-19 pandemic and any recommendations for handling COVID-19 and keeping morale high?

Stephine Boccarossa Responded: Our organization has spread out desks/seats for distancing. Recommends try to end the work day with something fun like trivia or another activity. Virtual happy hours are useful to reconnect socially.

Dave Damron Responded: Market right now isn't really price driven, so only so much can be done to close deals. For morale (especially hourly employees) the key is to minimize fear of job loss. Have shifted Inspector resources from outbound to inbound. Have seen increase in efficiency of inbound product receipt while being able to manage the outbound shipment with lower personnel resources. We have also increased the cross-training skills with this shift in resource allocation.

The meeting ended at 12:37 pm Eastern.