

Aeronautical Repair Station Association

the hotline

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Alexandria, VA

www.arsa.org

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station regulations***

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Sarah Says

...by the people, for the people...

By Sarah MacLeod, ARSA Executive Director

Freedom to grow and prosper as businesses and individuals under any government is dependent on the involvement of its people. The Association stands for good government; it works diligently to provide all the information necessary to ensure the legislative and administrative bodies are directed by the people and for the people directly impacted.

The Association's success is dependent on its involvement in regulatory compliance activities that are too time-consuming for its members. Examples include—

- Reviewing and responding to rulemakings, such as the recent notice of proposed rulemaking on part 145. The Association's executive director took over 80 hours to decipher, cross-reference, review and develop suggested alternative language to the last part 145 rulemaking. The success of that diligence is evident from the government accepting over 80 percent of the association's suggested language. Admittedly, there are portions of the rule that continually cause problems, but it is better due to the involvement of the people being governed.
- Development of online training classes for basic knowledge such as the sale, procurement, receiving, inspection and stocking of parts and the business aspects of part 145. Each class takes approximately 12 hours to develop and make presentable in a live online format.
- Development of standard repair station and quality forms and training manuals. These documents took over 300 hours for original development and are taking another 200 hours of improvement. The regulations and guidance material are all cross-referenced; while a user must still spend 40 to 80 hours on "personalization," when done properly, there will be no doubt about compliance.

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Sarah Says, continued

- Providing answers to regulatory compliance questions from members, saving hundreds of hours of research over the years. While the association staff does not provide “legal” advice, it will walk members through the pertinent regulations and guidance material that will ensure the proper question and answer are given.
- Being actively involved in rulemaking advisory boards and committees. As an executive, I have participated on the Aviation Rulemaking Advisory Committee (ARAC) since its inception; have served on the Aviation Rulemaking Committee (ARC) addressing Airworthiness Directives and will now serve on the “Section 313” ARC, put together to address inconsistent application of regulation and guidance.

This litany is not provided to impress but to remind all people that we get all the government we deserve; therefore it is imperative we are alert, aware and involved.

For example, let’s look at an overreaction that only you as an individual citizen can prevent from turning into harm. Due to the [debacle of one government agency](#) the House and Senate have approved limiting federal employees from participating at more than one conference or meeting hosted by a non-federal organization per year ([see related story](#)). Sure, the association has signed onto letters explaining how imperative open communication and healthy dialogue between government and industry is to good government. However, to ensure the government is directed by the people, for the people, people must speak up as individuals. ARSA has made it easy to [contact your representatives and senators](#); invest a few minutes and make your voice heard.

Ensuring government efficiency and granting business operational freedom is the Association’s top priority. Your involvement and support for ARSA ensures that you have a strong advocate on your side working to keep the government accountable to you—the taxpayer.

Legal Briefs

FAA ICA policy, part II

By Craig Fabian, ARSA Vice President of Regulatory Affairs & Assistant General Counsel

As mentioned in last month’s *Legal Briefs*, which provided a general overview of the FAA’s recent policy statement against usage limitations in certain maintenance documentation (see [FAA Policy Statement PS-AIR-21.50-01](#)); this month we will discuss some of the remaining issues surrounding the availability of maintenance information. Namely, we turn to the realm of maintenance information required by the regulations, and the FAA’s stance regarding those requirements.



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Legal Briefs, continued

Once again, the discussion centers upon 14 CFR § 21.50(b); as cited last month, that rule requires the furnishing of at least one set of complete instructions for continued airworthiness (ICA) to the owner of each type aircraft, aircraft engine, or propeller upon its delivery, or upon issuance of the first standard airworthiness certificate. Section 21.50(b) states that the ICA must be prepared in accordance with the applicable airworthiness standards – part 23 for normal, utility, acrobatic, and commuter category airplanes; part 25 for transport category airplanes; part 26 for continued airworthiness and safety improvements for transport category airplanes; part 27 for normal category rotorcraft; part 29 for transport category rotorcraft; part 31 for manned free balloons; part 33 for aircraft engines; or part 35 for propellers. Although the airworthiness standards differ, for illustrative purposes, this article focuses on the part 25 requirements for ICA.

Specifically, the detailed requirements in appendix H to part 25, state that ICA for each airplane must include ICA for each engine, propeller, appliance, and any required information relating to the interface of those appliances and products with the airplane. Further, it requires the ICA to include information *essential to the continued airworthiness of the airplane*. Particular ICA content includes maintenance instructions with scheduling information for periods at which each part of the airplane and its engines, APU, propellers, accessories, instruments, and equipment should be cleaned, inspected, adjusted, tested, lubricated, and the degree of inspection, applicable wear tolerances, and work recommended at those periods, along with recommended overhaul periods and inspections necessary for the continued airworthiness of the airplane. On its face, it appears the rule and its requirements for “information essential to the continued airworthiness of the airplane,” is all encompassing, and includes component maintenance manuals or other detailed instructions covering every bit of the airplane. The FAA, however, has not subscribed to such a plain reading of its rule.

Indeed, the FAA position has oversimplified the requirement for information *essential to the continued airworthiness of the airplane* to the extent that it considers remove and replace instructions sufficient. In ARSA's opinion, that rationale reads the detailed requirements for ICA right out of the rule. As a result, the industry is left with the undesirable prospect of dealing with “ICA” that lack meaningful maintenance information while, despite the specificity in its rules, the FAA looks the other way.

That potential leads to ARSA's main concern surrounding ICA, which remains even with the beneficial policy in place. To resolve the issue, the FAA must recognize that the detailed information described in the rule is essential to the continued airworthiness of the airplane and must be provided in the ICA. Without such acknowledgment, the great strides the FAA has taken in its recent policy prohibiting restrictive language or agreements could be limited by the content provided in the ICA. We hope that, instead, the recent FAA policy marks the beginning of renewed agency focus on ICA, to include detailed content requirements as well as availability to maintenance providers.



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Regulatory Lookout

DOT OIG audit probed FAA oversight of repair stations

The Department of Transportation's (DOT) Office of Inspector General (OIG) will release another audit (reportedly later this summer) analyzing the FAA's oversight of repair stations.

Rep. Jerry Costello (D-Ill.), then-Chairman of the House Aviation Subcommittee, [requested](#) the audit in Dec. 2010 as a follow-up to the OIG's [2003 review](#) of repair station use by air carriers. In that audit, OIG found that oversight of aircraft repair facilities was not robust enough to consistently meet FAA standards.

The 2003 report made several recommendations to improve FAA's oversight, noting that FAA must determine trends in air carriers' use of repair stations; determine which repair stations carriers use; perform more frequent, detailed reviews of those facilities; and ensure foreign authorities are following FAA standards for conducting inspections. The agency agreed with inspector's findings.

While the OIG only analyzes the FAA's oversight performance, opponents of contract maintenance use these report to score political points and paint an inaccurate picture of safety lapses within the industry. Most recently, OIG [noted](#) that while the FAA has made some progress in implementing the inspector's recommendations to improve oversight, the agency remains troubled by inconsistency.

ARSA expects the "new" report to repeat many of the past criticisms of the FAA with an emphasis on the challenges facing the nation's air safety regulator in meeting its mission. Yet despite these obstacles, the fact remains that boarding a commercial aircraft has never been safer—a statistic largely attributable to the men and women professionally servicing aircraft who hold an unwavering commitment to safety.

The audit release will draw the most media attention. Using the resources of the Positive Publicity Campaign, ARSA is positioned as a go-to source for media covering the industry and will stand ready to set the record straight for those attempting to draw false conclusions about the maintenance industry.

The Association is taking proactive steps to preparing a series of policy proposals calling on lawmakers and the FAA to take specific steps to address the OIG's expected recommendations.

Be sure to stay tuned to ***the hotline*** and ARSA's website for more information following the audit's release.

FAA modifies AC on employee training for repair stations

The FAA office of Flight Standards Service unveiled a [draft modification](#) to its advisory circular (AC 145-10) providing guidance to repair stations on employee training programs required under 14 CFR 145.163 covering categories of training, training program components, and sample training programs.

The proposed change leaves the majority of the present [AC 145-10](#) in place and simply adds a new Appendix 3, European Aviation Safety Agency Training Requirements. The current Appendix 3, Related Correspondence, was renumbered as Appendix 4, with a few modifications to sources of related correspondence.

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ARSA, associations educate Congress about proposed federal employee travel restrictions

ARSA recently joined nearly a thousand organizations [urging Congress to modify](#) proposals that would severely restrict government employee attendance at meetings and conferences hosted by associations. As drafted, the language would limit federal employees from participating at more than one conference or meeting hosted per non-federal organization per year.

The letter asked Congress to change the definition of a “conference” to apply only to government-sponsored meetings and to strike a provision restricting agencies from attending more than one conference held by a private organization per fiscal year.

“The dialogue that takes place at these meetings between government and the private sector is essential to the development of informed policymaking that facilitates economic growth and job creation,” the cosigners asserted.

The proposal, advanced as amendments to two separate bills passed by the House and Senate (the Digital Accountability & Transparency Act (DATA Act) ([H.R. 2146](#)) and the 21st Century Postal Service Act ([S. 1789](#))), were in response to the scandal involving the General Services Administration, which spent extraordinary amounts of money on lavish conferences.

ARSA regularly invites government employees to events like the [Annual Repair Symposium](#). Any limitations on regulator attendance at these educational conferences would deprive regulators from using the Association as an important resource and deny ARSA members the opportunity to engage with government officials.

Be sure to visit [ARSAaction.org](#) to encourage your lawmakers to support efforts to foster government and industry communication and reject arbitrary limits on government attendance at non-federal conferences.

Federal Court Tosses NLRB Election Rule

The National Labor Relations Board (NLRB) did not have the legal authority to issue its [rule](#) that would speed the union election process according the United States District Court for the District of Columbia. The [court's opinion, issued May 14](#), did not weigh the merits of the rule itself, but rather looked to the process by which the NLRB adopted the rule and concluded that its behavior was impermissible for its failure to satisfy the Board's quorum requirement.

“According to Woody Allen, eighty percent of life is just showing up. When it comes to satisfying a quorum requirement, though, showing up is even more important than that. Indeed, it is the only thing that matters,” the court stated.

Only two of the three NLRB members serving voted in favor of adopting the rule. A third member did not cast a vote or show up for adoption of the final rule, though he had previously voted against allowing the rulemaking to proceed. The court ruled that his past participation was irrelevant, and did not satisfy the legal requirement to have a quorum of at least three Board members to approve rules.

“Two members of the Board participated in the decision to adopt the final rule, and two is simply not enough,” wrote the court.

The fact that two of the Board's seats were unfilled at the time, leaving it with only three actual members, did not change the legal requirement for three members to constitute a quorum to promulgate new rules.

The court's decision is an important check on the Obama administration's activist labor board, and a significant victory for employers. The suit against the NLRB was led by ARSA's partners, the [Coalition for a Democratic Workplace](#) and the [U.S. Chamber of Commerce](#).

FAA proposes new repair station regulations

Agency announces proposal revising part 145 mandates

On May 21, the FAA released a [proposed rule](#) that would bring significant regulatory changes to repair stations operating under 14 CFR part 145.

"As with all proposed rules, it may create as many problems as it is trying to fix," noted ARSA Executive Director Sarah MacLeod.

"ARSA notes that there are proposals for permanent housing, satellite repair stations and working for air carriers that will take study to understand their pros and cons. The new rating system and its proposal to establish capability lists must be reviewed thoroughly to ensure the agency avoids past pitfalls and has truly established an easily understandable method for knowing the type of work performed by each repair station," stated MacLeod.

The proposal would alter several elements of part 145 to establish a new rating system for repair stations, clarify the language that requires a repair station working for an air carrier to perform work in accordance with the carrier's maintenance instructions, and would make several changes to the certification process. It would also make many other adjustments to personnel, inspection, recordkeeping, and housing requirements while attempting to clarify several instances of confusing language in the current rules.

This latest notice of proposed rulemaking continues the process begun by the agency in 2006 to revise part 145 requirements. After reviewing the comments to its 2006 proposal, the FAA chose to withdraw the proposal in 2009 to better address industry concerns, especially regarding the proposed ratings system and capabilities list.

If approved, the FAA would phase in the newly proposed rules over a two-year period beginning 60 days after adoption. All repair stations certificated before the new rules would have to apply for timely certification within 24 months of the new rules taking effect to maintain their certification.

ARSA will be reviewing the proposal in detail over the coming days to determine its potential impact on the aviation maintenance industry. Stay tuned for more details. [Comments](#) to the FAA's proposal are due Aug. 20, 2012.

Don't believe anything you hear and only half of what you read

Former FAA Administrator Randy Babbitt has been cleared of any wrongdoing in connection with his December 2011 arrest for drunk driving.

The respected former administrator was the victim of overzealous law enforcement according to a Virginia court. In the crazy world of Washington politics, however, accusation can be as good as a conviction, and Babbitt's fall from grace was swift.

The Association wishes the former Administrator all the best in his future endeavors.

See the full story at [The Washington Post](#).



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Final Documents/Your Two Cents

"Final Documents": This list includes Federal Register (FR) publications such as final rules, Advisory Circulars (ACs), policy statements and related material of interest to ARSA members. For proposals opened for public comment, see **"Your Two Cents."** The date shown is the date of FR publication or other official release.

"Your Two Cents": This is your chance to provide input on rules and policies that will affect you. Agencies must provide the public notice and an opportunity for comment before their rules or policies change. Your input matters. Comments should be received before the indicated due date; however, agencies often consider comments they receive before drafting of the final document begins.

"Final Documents" and **"Your Two Cents"** are available at <http://www.arsa.org/FDYTC>.

A Member Asked

By Craig Fabian, ARSA vice president of regulatory affairs & assistant general counsel

Q: I try to help customers ensure the maintenance they are performing returns articles and products to an airworthy condition, which frequently involves major alterations using approved data as allowed by 14 CFR part 43. When interacting with the FAA, it often seems as though part 43 does not exist and everything done in the course of maintenance and alteration is considered a change to type design (usually major) per section 21.93. Is there a dividing line between the "airworthiness approvals" of section 21.1 and approval for return to service under part 43? If so, where is the line?

A: The definition of "airworthiness approvals" in part 21 is applicable to the issuance and changing of the approval discussed—nothing in part 21 is directly applicable to the performance and recording of

part 43 actions (i.e., maintenance, preventive maintenance, rebuilding or alteration to existing aircraft, aircraft engines, propellers, appliances and other “parts”).

Part 43 deals with the “approval for return to service” with respect “to the work performed”. In other words, the “certification” of “airworthiness” is limited to the work performed, not to the “document” (i.e., methods, techniques or practices) whose technical data must be approved if the action (i.e., use of the methods, techniques or practices) will result in a major repair or alteration.

Put simply, part 21 deals with documents and data needing to be approved or needed for “approval”, while part 43 deals with the application of methods, techniques and practices to existing articles with the support of “approved” data.

Quality Time

Employment Law & Repair Stations

The NLRB’s “Quickie Election Rule”: Down But Maybe Not Out

By [Jonathan W. Yarbrough](#), Constangy, Brooks & Smith, LLC, 80 Peachtree Rd., Ste. 208, Asheville, NC 28803-3160. © Copyright 2012 Jonathan W. Yarbrough ALL RIGHTS RESERVED

Jonathan is experienced in representing employers in employment law issues; his pragmatic approach can also help keep relationships with employees from becoming difficult. Please contact him for questions regarding employment relationships.

Recall that on December 16, 2011, the National Labor Relations Board (NLRB) voted to give final approval to a rule change that would substantially reduce the time between the filing of a petition for union representation and a secret ballot election. Republican member Brian Hayes predicted that with these streamlined procedures, elections could be held in a little as 10 to 21 days from the filing of the petition. Hayes commented, “the principal purpose for this radical manipulation of our election process is to minimize, or rather, to effectively eviscerate an employer’s legitimate opportunity to express its views about collective bargaining.”

In the absence of the new rule, an NLRB election petition triggers a hearing designed to resolve any voting eligibility issues before the ballots are cast. Elections would not be scheduled for at least six weeks during which time employers could properly train their supervisors and educate their employees on the motivations of the union and impact of unionization.

The rules changes took effect on April 30, 2012.

The U.S. Chamber of Commerce and the Coalition for a Democratic Workplace filed a lawsuit challenging rule changes and on May 15, 2012, Judge James Boasberg of the U.S. District Court for the District of Columbia concluded that the rule changes which the NLRB implemented on April 30 were not properly adopted by a quorum of three board members seated on the board as of December, 2011. Chairman Mark Gaston Pearce (D) and members Craig Becker (D) and Brian Hayes (R) comprised the board at the time, but only Pearce and Becker voted on December 16 to give final approval to the rule changes. Hayes did not vote and was not contacted about his failure to vote. The National Labor Relations Act as interpreted by a 2010 Supreme Court decision make it clear that a quorum of three members is needed for the Board to take action. Thus, Judge Boasberg concluded that Hayes did not participate in the final vote, resulting in an invalid action having been taken by less than a quorum.

Following the Court’s decision, the NLRB issued a notice stating that the Acting General Counsel had advised the Regions to revert to the prior procedures and rules thus, once again, giving employers a longer time before elections to campaign against union representation.

Since the vote in December President Obama has made three recess appointments – Sharon Block (D), Terence Flynn(R), and Richard Griffin (D). With the three recess appointments, the Board could vote to reinstate the “quickie election” rule. However, the constitutionality of those appointments is being challenged.

Reaction to the Court’s decision has obviously been mixed. The International Brotherhood of Teamsters President James Hoffa criticized the ruling, stating that “the decision lets anti-worker extremists game the system” and is “just another attack on workers and the American middle class.”

Coalition for Democratic Workpeople Chairman Geoffrey Burr described the rule as an “attack on workplace democracy” and “a rule that would have been bad for employees and employers.”

*Editor’s Note: For more on the court ruling on the NLRB “quickie” election rule, please see the related article in this month’s **the hotline**.*

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The Next Generation of Aircraft Technicians

Retaining Students in AMT Schools

By [Raymond Thompson](#), Western Michigan University, College of Aviation, 237 N. Helmer Rd., Battle Creek, MI 49037 © Copyright 2012 Raymond Thompson ALL RIGHTS RESERVED.

Raymond Thompson is president of the Aviation Technical Education Council and associate dean of the College of Aviation at Western Michigan University. A long-time mechanic and commercial pilot, he has been involved in technician education in the U.S. and Middle East since 1983.

Editor's Note: *This is the fifth in a series of articles from Mr. Thompson in which he provides information on supporting aviation maintenance technician schools (AMTS) and the next generation of mechanics.*

Over the past several months, this series of articles has discussed the forecasted shortage of aviation maintenance technicians, as well as difficulties in attracting sufficient numbers of new students into aviation maintenance technician schools (AMTS). Equally important is retaining enrolled students. Every student brings a unique set of characteristics; unfortunately, some hinder the ability to maximize success. As public support of education declines, tuition and costs have increased at dramatic rates. In order to afford these increased personal costs, more students are forced to work, many full-time, to finance their education.

This has led to the disappearance of the “traditional” student – those students who enroll in postsecondary education immediately following high school graduation. Rather, the typical postsecondary student is older, often with family, work, and other responsibilities competing for their time. As a result, many students must progress more slowly through a given program; the longer they are in school, the less likely they are to complete their education. Furthermore, students who require remedial work upon entry add time and cost to their education, further reducing the likelihood of completing. The grim [statistics](#) for postsecondary graduation rates clearly demonstrate this impact.

Every school works hard to retain students and ensure all graduate. Activities such as peer mentoring, study groups, resource networks, childcare, and evening or weekend scheduling of courses are among

the many tools schools deploy. On an individual level, schools work to pair instructors with students to monitor their progress and act as mentors, while academic advisors work on financial aid and personal issues to facilitate the student's ability to attend and complete class.

When it comes to helping students see the big picture, industry allies serve as valuable partners by playing a critical role. After all, students enroll in school with the ultimate goal of entering a particular field, so gaining insights into that field help keep students motivated and focused.

Recently, a group of my AMT students visited a local air carrier maintenance base. The visit was more than a passive tour of the hangar and shops, it was an active learning opportunity, allowing the students to interact and question both technicians and management; thereby gaining an understanding of the AMT's role and career paths. They returned to campus with an image of what it takes to have a successful career in aviation maintenance. This type of active experience permits students to see the application of the principles they are studying, highlighting the value of their education while equipping them with valuable industry knowledge.

AMTS and industry need to work closely to provide multiple experiences that provide focus on the student's ultimate objective: industry employment. These do not have to be expensive, but they do require commitment. Retaining students, keeping them highly motivated and on track for timely completion helps the entire aviation industry.

Ultimately, retention becomes a set of activities directed towards an individual student. One activity that both schools and industry can improve is to treat the student like the professional they will need to become. Providing consistent opportunities during the educational process for students to interact with industry increases their ability to act like aviation professionals. From a student perspective, this interaction allows them to view their education as a job – with the tasks, rules, and responsibilities we see in the workplace. Students who can clearly visualize the aviation maintenance workplace better understand how the discrete elements of their education fit together.

Legal Waypoints

Confidentiality - the ABCs of NDAs

By [Steven E. Pazar](#), Attorney at Law, 11 Carriage House Lane, Boxford, Massachusetts 01921. © Copyright 2012 Steven E. Pazar ALL RIGHTS RESERVED.

Steven is an experienced counselor to businesses operating in high-risk industries, including aviation. He provides templates, tools and training to improve contracting efficiency, close deals faster and control costs.

Confidentiality obligations are an ever present part of our working lives. We owe duties of confidentiality to our employers and our clients or customers. Whether you produce a manufactured product or provide a consulting service, you are likely bound by written obligations of confidentiality.

Sometimes these obligations operate in the background - the specifics being unknown to us as individuals. In other instances, they are front and center - part of the first step in our interactions with a business partner. Understanding the nature of confidentiality obligations is an essential part of today's business environment.

The basic keys to understanding confidentiality agreements can be broken down to a few simple elements. This guide helps structure a review of these documents so that obligations are quickly identified for negotiating and tracking:

What's in a Name? Confidentiality agreements can also be titled secrecy agreements, proprietary information agreements, and non-disclosure agreements ("**NDA's**") – all seek to accomplish similar goals and contain similar provisions.

Who are the Parties? Take a moment to confirm that the parties are correctly identified and to understand which party is the recipient and which the discloser in a unilateral arrangement. Many NDAs are drafted as mutual or reciprocal obligations. In mutual NDA's both parties receive and disclose confidential information.

Three Key Questions: Once you have made an initial assessment of the parties and determined if the NDA is unilateral or mutual (reciprocal), focus on three simple questions:

1. **What is the Scope/Purpose?** To track obligations you need to identify their subject matter and/or purpose. A narrow description will help limit exposure to a breach of obligations. A marking requirement can also narrow exposure.
2. **Are the Standard Exceptions present?** Look for either three or four "standard exceptions" that narrow obligations by excluding certain information. While the exact wording will vary, examples are:
 - (a) is or becomes generally known or available to the public through no fault of Recipient;
 - (b) is rightfully in the Recipient's possession, or known by the Recipient free of any obligation of confidence, prior to the Company's communication to Recipient;
 - (c) is rightfully obtained by Recipient from a third party authorized to make disclosure without restriction; or
 - (d) is developed by the Recipient independently of and without reference to any of the Company's confidential information or other information that the Company disclosed in confidence to any third party.
3. **What are the Term and the Time limit?** The best practice is to include a reasonable time limit on obligations so that they ends on a specified date. Most mutual NDAs contain time limits while many unilateral NDAs do not. The **term** of the agreement is not the same as the **time** limit on obligations. The term limit is the time-period within which confidential information may be disclosed or the term of the "agreement." The time limit is the duration of the recipient's confidentiality obligation with respect to the information disclosed.


Good recordkeeping is essential to tracking obligations. A recommended practice is to maintain separate files for NDAs and to create a database to record the parties and the information that answers the three key questions.

Maintain confidential information received under each NDA in accordance with the same good and reasonable methods used to protect your own information is often a strong defense to an alleged breach. Mistakes can happen even with good intentions and systems, so developing a culture of compliance built on understanding is the best way to mitigate unintended disclosures.

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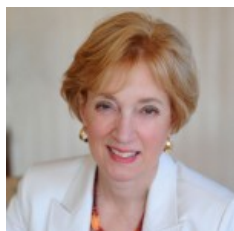
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Capital gains tax hike will hurt state coffers



By Margo Thorning

Editor's Note: ARSA periodically invites lawmakers and leading policy experts to write columns for the hotline to allow our readers to hear directly from those involved in the policy process. This month's columnist is Dr. Margo Thorning, senior vice president and chief economist of the [American Council for Capital Formation](http://www.acf-cfo.org), a nonprofit, nonpartisan organization promoting pro-capital formation policies and cost-effective regulatory policies. The views expressed by Dr. Thorning do not necessarily reflect those of ARSA.

In January, the president gave his State of the Union address to a joint session of Congress. The speech is a constitutional requirement on the presidency and has become a way for the president to announce his agenda for the coming year.

The Buffett Rule, a measure to raise income tax rates on individuals and capital gains of top-earning Americans, recently received its first close up in the U.S. Senate and failed. Nevertheless, President

Obama, Senate leaders and others have pledged to continue to raise the Buffett Rule again and again this campaign season in the name of tax “fairness.”

Many arguments against the Buffett Rule have been made, but perhaps a very compelling reason is the unintended consequences this war on savings and investment could have on our economic recovery, particularly in states whose budget receipts are dependent on collection of capital gains taxes.

Investors already face high federal and state tax rates on capital gains. A new analysis released by the American Council for Capital Formation based on a survey conducted by Ernst & Young shows that currently, investors face state-level capital gains taxes in 41 states with an average top individual capital gains tax rate on corporate equities of 5.2 percent in 2012. Combined with the federal rate, these taxes substantially increase the separation between what an investment yields and what an individual actually receives (known as the “tax wedge”). The higher the tax wedge, the fewer investments that will be worth an investor’s time and risk, resulting ultimately in fewer investments being undertaken and longer holding periods as investors delay selling assets. Both of those outcomes will ultimately further pressure tax receipts.

Consider the perspective of a potential investor who sees the tax wedge growing larger and larger on the horizon. The ACCF paper examined three scenarios: first, the current 2012 rates; second, the current federal capital gains rate of 15 percent along with the 3.8 percent Medicare surcharge on filers making \$200,000 and above individually or 250,000 and above as a couple; and third, the increased capital gains rate of 20 percent along with the Medicare surcharge. Ask yourself: How excited am I to take a risk in this environment?

Under the third and entirely plausible scenario, Californians and Hawaiians will pay more than 31 percent of their long term capital gains directly to various governments, with 39 other states feeling various forms of pain, including Vermont, Maine, and D.C. residents, who will pay 30 percent. If the Buffett Rule means a 30 percent tax rate on all income over \$1 million is enacted, the combined federal and state tax capital gains rate will rise even further.

These consequences should not be taken lightly. Investment is a key factor in creating and growing jobs. To wit, in recent years, each \$1 billion increase in investment is associated with an additional 15,000 jobs. Conversely, decreasing the amount individuals and firms will invest due to federal and state capital gains taxes form a direct impediment to entrepreneurship and economic growth.

Recent research by Dr. Allen Sinai, an internationally highly regarded economist, has already predicted a decrease in jobs simply from moving from the current 15 percent tax rate on long-term capital gains to 20 percent. Real economic growth falls by an average of 0.05 percentage points and jobs will decline by an average of 231,000 per year.

A hike in the federal rate will be bad for states and those trying to govern them, as well—especially in those areas that rely on individual capital gains taxes to pay for services. The ACCF report shows that in 2009 New York was the most dependent state on capital gains taxes with seven percent of its individual taxable income. Four states (Georgia, Virginia, Pennsylvania, and New Jersey) counted on such taxes for three percent of their taxable income; three states (California, Massachusetts, and Illinois) tallied four percent; and one each at five percent (Connecticut) and six percent (Colorado).

Perhaps vocal proponents of the Buffett Rule may be unaware of the importance of capital gains taxes for state fiscal integrity but this is cold comfort to states feeling the pinch today and tomorrow. Raising taxes on capital gains will surely hurt these states’ budget receipts, especially when one considers that between 2007 and 2010 individual income tax receipts went down by 14 percent in California, 15 percent in Colorado and Virginia, and 20 percent in Georgia.

Taken at their word, politicians and pundits looking to the Buffett Rule for its economic benefits (rather than political attractiveness) would do well to keep looking for solutions that boost investment. That is the steadfast and reliable “rule” that will lead to more jobs and fuller state and federal coffers.

ARSA on the road: Outreach meetings in Texas, Ohio are your chance to get personal

ARSA is hosting outreach meetings for the aviation maintenance industry in Cleveland (*Jun 11*) and Dallas (*Jun 14*). The sessions will provide attendees with a free lunch and a chance to learn more about ARSA's advocacy for repair stations.

These meetings are open to ARSA members and non-members alike. Attendees will be briefed on a range of issues, including ARSA's forthcoming Supreme Court amicus brief on instructions for continued airworthiness, the status of repair station security rules, and regulatory fallout from the new FAA law.

Discussion will also include how to get the most out of your membership and help ARSA advance the interests of the aviation maintenance industry.

[*Cleveland Outreach Meeting Information*](#)

[*Dallas Outreach Meeting Information*](#)

ARSA Action

A bright light on the rulemaking process benefits all business

By ARSA Executive Director Sarah MacLeod

The law demands an open rulemaking process and the federal government must improve its procedures for incorporating materials by reference into regulations, ARSA [told](#) the National Archives and Records Administration on May 3.

ARSA's comments came in response to a [petition](#) filed by a coalition of law professors with the National Archives and Record Administration (NARA) requesting an update to guidelines permitting the incorporation of materials by reference in the federal rulemaking process.

Agencies, such as the Federal Aviation Administration (FAA), often incorporate by reference (IBR) information critical to understanding and complying with a mandate. In the case of the FAA, wholesale adoption of commercially-developed service instructions, *that are not readily available*, are commonly incorporated by reference in Airworthiness Directives and other rules. This process can shut many interested parties out of the rulemaking process.

To resolve this situation, *any information essential to compliance and enforcement must be made available* to persons directly impacted by a proposed rule. The basic information, whether incorporated by reference or published in the *Federal Register*, should be made available free of charge, most logically by posting it online. In other words, if the agency is going to use the IBR information when enforcing its rule, it must be made available—without exceptions.

The ability to IBR allows agencies to mandate a standard merely by reference, and thus avoid having to publish it in the Code of Federal Regulations. The rule authorizing incorporation by reference only requires that the materials be “reasonably available of the class of persons affected.” See 1 CFR § 51.

The regulations do not specifically define reasonable availability; the regulations authorizing incorporation by reference have not been updated since 1982, well before the dawn of the Internet. The

petition asks NARA to define “reasonably available” in light of 21st century technological standards. “Reasonable availability of *mandatory* standards in the age of the Internet requires their ready availability in agency electronic reading rooms, or at the very least, in linked websites . . . that provide at least free read-only access to those with a need to know the law governing their conduct,” the petitioners state.

ADs and IBR

As anyone in aviation maintenance knows, the shortcomings of IBR are well illustrated in Airworthiness Directives (ADs). Rather than include certain service documents on which it is basing its findings and rationale when proposing a legally enforceable AD, the FAA will often simply chose to incorporate a particular document by reference. The resulting corrective actions advocated by the FAA and legally mandated by the rule are therefore wholly contained in the manufacturer’s service instructions.

While an AD should only mandate inspections, conditions and limitations, and any actions that must be taken to resolve unsafe conditions before operating an aircraft, documents that are IBR include unrelated tasks and information. Since FAA certificate holders must strictly adhere to the instructions contained in the referenced material or obtain FAA approval for an alternative means of compliance, confusion arises over what actions in the material IBR are actually required by the AD. The issue is particularly problematic when material IBR contains references incorporating additional documents or entire manuals.

Today, it is commonplace, if not the norm, for manufacturer service information IBR in a proposed AD to be unavailable for persons without a commercial relationship with the manufacturer, even though they may be intimately involved with the manufacturer’s products. IBR therefore creates a “secret science,” resulting in the “hiding” of essential information and making it all but impossible for *all* affected persons to comment on proposed rules; leaving those responsible for compliance in the dark until issuance of a final rule.

As a result, it becomes a colossally difficult task for either the regulated person or agency to truly establish compliance with the safety mandate; there is no clear frame of reference specifically outlining the rule’s requirements. If the documents were available during the comment period, those required to comply could examine the documents and make recommendations to improve application of the rule – improving compliance and eliminating confusion.

A simple solution

Clearly, the ability to IBR materials essential to rulemaking and compliance runs counter to the government’s requirement for agencies to ensure all affected parties have an opportunity to view and provide comments to proposed rules.

Fortunately, a simple solution exists to address this dilemma: publish information essential to compliance and enforcement online for free.

The solution is not a novel one. Indeed, Congress, in the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011, required that the Pipeline and Hazardous Materials Safety Administration make “any document incorporated by reference available to the public, free of charge, on an Internet website.” It would make sense for the FAA and other federal agencies to follow that requirement.

Currently, some information used in rulemaking is only available by purchase from the commercial provider, or by reviewing the rulemaking docket in person at the Office of the Federal Register in Washington, D.C. Certainly attaching such matter to the docket electronically and making the material available through a federal website would bridge the information divide.

Given the tremendous advances in technology, placing the information on a government website would ensure that the “class of persons affected” by a regulation would have access to the material with which they must comply. Since the Administrative Procedure Act requires the government to ensure any person impacted by a regulation has an opportunity to review and provide substantive comments, online availability would achieve this goal without having to provide a one-size-fits all definition to the “class” affected by the proposed regulation.

Furthermore, any governmental attempt to rework the definition of reasonable availability regarding materials that are IBR must recognize the legal obligation to produce clear and unambiguous rules. If the FAA has determined that an AD is necessary to address a safety concern, it would make sense that anyone required to comply with the mandate have access to the information guiding the agency’s determination. If an agency determines that it is necessary to IBR, then that agency must bear the burden of making that information publicly available free of charge. If the agency itself lacks ready access to the IBR material, then it should not be determined essential to compliance or enforcement.

ARSA strongly supports the petition advocating shining a bright light on the federal rulemaking process. Improving the availability of documents incorporated by reference will help all businesses improve compliance and not be left in the dark when the final rule sets forth new mandates.

— ADVERTISEMENT —



The ATA e-Business Program is pleased to announce the availability of Product Showcase. Product Showcase is a virtual exhibit hall which allows solution providers to list products and

services that leverage key industry standards (i.e., Spec 2000, S1000D, iSpec 2200, Spec 2300, Spec 42, etc.).

The purpose is to help industry quickly find third-party products and solutions to help with implementation of the standards. Products and services can found via keyword search or by product type, specification and/or product category.

Click the link below to visit the new Product Showcase and/or to list your products. Please note that product listings are free until September 30, 2012 and there is no cost or obligation to list products beyond that date.

[Visit Product Showcase >>](#)

Positive Publicity Corner

Your Voice in the Storm

By Jason Langford, ARSA director of communications

Since launching the PPC a little more than two years ago, ARSA has vastly improved its media relations and outreach program and significantly increased its capacity to serve as the voice of the aviation maintenance industry. Additionally, the PPC has provided ARSA with important resources that have enhanced its advocacy on Capitol Hill and among regulators.

One of the campaign’s most notable impacts has been the progress made by the Association in changing the tone of repair station media coverage. A 2011 [media audit](#) by the public relations firm Stratacomm found that ARSA ranks fourth in the top ten organizations mentioned in media coverage about maintenance issues, behind only the FAA, the TSA, and the Transportation Workers Union.

PPC resources have funded ARSA's [economic research](#) to tell the industry's story in dollars and cents. This has quantified the maintenance industry's \$2.4 billion positive balance of trade, the \$39 billion yearly impact on the U.S. economy, and the economic benefits of bilateral aviation safety agreements (BASA). The independent economists hired by ARSA also generated state-by-state snapshots of the industry to illustrate our employment and economic impact to the media, policymakers, and others.

This data bolstered ARSA's influence on Capitol Hill, playing an invaluable role quantifying the industry's importance among lawmakers. Thanks in large part to [ARSA's efforts](#), lawmakers recently rejected hostile legislation that would have threatened the U.S.-EU safety agreement, forced some foreign repair stations to surrender their part 145 certificates, and increased compliance costs for both foreign and domestic repair stations. ARSA is currently in the process of updating this information to reflect the economic developments of the past few years.

The Association continues to take proactive steps to enhance its advocacy capacity through the resources of the PPC. The PR Committee has recently overseen the creation of a speakers bureau of leading aviation maintenance experts who have agreed to serve as go-to resources for members of the media seeking insights on the industry. This Bureau will be meeting in Washington next month for a day of media and message training from one of the nation's leading communications firms.

The PPC plays an important role in ARSA's advocacy and outreach efforts and owes its success to the dedicated support of a select handful of [leading companies](#) in the aviation maintenance industry. While the PPC has taken on many responsibilities, it is limited by its resources. To help the campaign achieve even more, [pledge your company's support today!](#)

Be sure to check back next month when this column will highlight the opportunities that lie ahead for the campaign and provide more information about the speakers bureau. If you have any questions about the PPC or would like to [pledge your support for the PPC](#) contact ARSA Director of Communications [Jason Langford](#) at 703 739 9543.

These leading companies are making the PPC's 2012 success possible:

- *A.O.G. Reaction*
- *AirTran Airways*
- *Atlas Air Worldwide Holdings*
- *Aviation Instruments Repair Specialists (AIRS), Inc.*
- *Chromalloy*
- *Coopesa, R.L.*
- *Delta TechOps*
- *E.B. Airfoils*
- *Fortner Engineering & Manufacturing, Inc.*
- *HEICO Aerospace Component Repair Group*
- *Hong Kong Aircraft Engineering Company Limited*
- *Lufthansa Technik AG*
- *Lynden Air Cargo*
- *MTU Maintenance Hannover GmbH*
- *NORDAM*
- *Southwest Airlines Co.*
- *TIMCO – Greensboro*



ARSA members: Click here to save!

As part of ARSA's ongoing [Positive Publicity Campaign \(PPC\)](#), the association is actively working to enhance the media's understanding of our \$50 billion industry and its vital importance to global civil aviation. To accomplish this goal, ARSA monitors media coverage about aviation maintenance to spread the word about the valuable role repair stations provide their communities in jobs, economic opportunities, and community involvement. These are some of this month's top stories highlighting the industry's contributions.

[Expert: Air Safety Has Improved Dramatically Since Flight 191 Crash](#) (CBS Chicago)

[Macon's Bombardier to get more aircraft maintenance work, more workers](#) (The Telegraph)

[Planting seeds for aviation's next generation](#) (Rockford Register Star)

[Cessna continues single-engine aircraft safety education initiative](#) (AviationPros.com)

[Old planes attract new interest from investors](#) (The New York Times)

[N.Y. Governor Cuomo declares May Aviation Appreciation Month](#) (AviationAcrossAmerica.org)

[AAR to open major maintenance base in Duluth](#) (AINonline)

[Economic development group to announce new jobs coming to Myrtle Beach area](#) (Myrtle Beach online)

[Superior Aviation Service, Inc. moves to new facility in the DFW area](#) (Vertical Magazine)

[Keeping SAA's birds flying](#) (Sunday World)

ARSA on the Hill

By Daniel Fisher, ARSA vice president of legislative affairs

In May, ARSA delivered the year's first ARSA PAC check to Rep. Tom Petri (R-Wis.), chairman of the House Aviation Subcommittee, during a reception honoring the longtime ally of the aviation maintenance industry. Petri is the recipient of [ARSA's 2012 Legislative Leadership Award](#), presented at the 2012 Legislative Day.

Members of ARSA's legislative team attended the [Aero Club of Washington](#) luncheon to hear Michael Huerta, acting administrator of the FAA, speak about the agency's priorities and the future of the aviation industry.

ARSA was represented at the Death Tax Repeal Working Group, a coalition of organizations advocating for abolishing the estate tax.

ARSA's legislative team continues to strengthen the Association's political program. With the balance of power in Washington up for grabs, it is critical that the aviation maintenance industry help elect lawmakers who support the legislative goals of the association. Aviation maintenance leaders are encouraged to learn more about the Association's [Political Action Committee](#) (PAC).

The Government Affairs Committee was encouraged to use social media to engage policymakers and candidates.

Connect with ARSA:



Bills on the Hill

TSA responds to congressional inquiry on foreign repair station ban

The Transportation Security Agency (TSA) is diligently working toward completion of the long-awaited repair station security rule, [according to the agency's response](#) to correspondence from House Transportation Security Subcommittee Chairman Mike Rogers (R-Ala.) and Rep. Tim Walberg (R-Mich.).

In late March, the lawmakers met with senior TSA officials and delivered a [letter](#) to Homeland Security Secretary Janet Napolitano expressing their frustration that a rulemaking mandated in 2003 was still pending. Reps. Rogers and Walberg also requested regular Subcommittee briefings on the agency's progress and that TSA finalize the regulation before the end of the year.

ARSA has been working closely with lawmakers and the TSA to finalize new repair station security rules so that the FAA can once again issue new foreign repair station certificates. Industry has been penalized too long for government inaction. To encourage your representatives to support this important effort visit ARSAaction.org.

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Customer Service, Ground Ops • GA Mechanic • Analyst, Aircraft Vulnerability
Test & Evaluation • Operational Test & Evaluation Technician • Project Engineer,
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Purchasing Assistant • Chief Inspector • QA Engineer • Sheet Metal Mechanic
Logistics Technician • Sales Applications Manager • Equipment Service Manager

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Get Tweetin'!

Twitter can be a very effective tool to grow your brand, connect with influential thought and opinion leaders, and keep you ahead of the curve with a steady stream of the latest industry and political news.

Using Twitter for political advocacy and shaping public opinion isn't limited to those trying to topple dictators on the other side of the globe. In fact, ARSA's twitter handle is working to change the way lawmakers and the media understand the aviation maintenance industry.

Here are a few ways you can utilize Twitter to make a difference for your company and the industry.

Tweet your victories. Is your company expanding, creating new jobs, or forming new partnerships? Great! Tweet it! You'll want to use the industry hashtag (#AvMRO) and "mention" anyone involved—your industry friends may want to retweet the good news.

Ex. Take a virtual tour of our new state-of-the-art #AvMRO hangar! www.AvMROInc.com/vtour

"Follow" the industry. Twitter is a great news aggregator, allowing you to catch headlines from the most influential journalists and aviation maintenance bloggers. "Follow" your vendors, your competition, local reporters, national transportation policy journalists, and anyone who tweets about aviation maintenance (using the hashtag #AvMRO). Not only will you know everything that's going on in the #AvMRO community, but you will connect with people who may want first dibs at your news scoop.

Industry Tweeters: @AvWeekHelen, @AvWeekMRO, @ThingsWithWings, @AskBob_Aero

Interact with your lawmakers. Follow your senators, representative, governor, state delegates, mayor, and city council members—you need your finger on the pulse of anyone whose policymaking could affect your company's growth. Once you are tuned in to the conversation, it's time to interact. Become a voice for the industry by tweeting at your lawmakers to tell them how they're impacting business. They'll also want to hear when growth happens in their district.

Ex. We enjoyed @RepTomPetri's visit to our #AvMRO facility in Fond du Lac. You can contact @ARSA_MRO for more industry information.

@ARSA_MRO hopes to serve as your model for Twitter engagement. Please get in touch with ARSA's resident "tweeter," Communications Coordinator [Josh Pudnos](#), if you have any questions about tweeting or developing a Twitter strategy.

Export-Import Bank Reauthorization Becomes Law

On May 30, President Obama signed legislation ([H.R. 2072](#)) into law reauthorizing the Export-Import (Ex-Im) Bank. The legislation brings some certainty to the Export-Import bank by providing authority through 2014 and increasing its portfolio cap from \$100 billion to \$140 billion.

The Ex-Im bank is an independent government-sponsored financial authority charged with promoting U.S. exports by financing deals to meet foreign competition and fill the void when commercial funding is unavailable. Without congressional action, the bank's authority would have expired on May 31.

Reauthorization of the bank, normally a routine procedure, became a political lightning rod for conservative lawmakers who viewed the bank as a trade-distorting form of corporate welfare. The business community, supported by a bipartisan majority of lawmakers and the Obama administration, meanwhile urged reauthorization of the bank, praising its role in supporting exports and creating jobs.

In order to secure passage, a compromise agreement was reached to address conservative trepidation. The bill requires the bank to keep a default rate less than two percent and demands greater transparency in the bank's dealings. The legislation also directs the treasury secretary to lead negotiations aimed at ending government export subsidies for aircraft and, ultimately, all export subsidies. The aircraft language addresses charges from carriers that the bank unfairly hurts domestic airlines by reducing costs of domestically manufactured aircraft for foreign airlines, providing a break in purchase costs unavailable to domestic carriers.

Support ARSA's Positive Publicity Campaign

It's no secret; the contract maintenance industry suffers from an image problem. Years of baseless attacks have created a hostile media environment, and worse yet, has blinded some lawmakers and portions of the public to the benefits of aviation contract maintenance.

ARSA's [Positive Publicity Campaign](#) (PPC) confronts these challenges; its message is clear: repair stations make air travel safer, create air carrier efficiencies, contribute to the economy, and generate jobs.

PPC resources support industry economic impact studies, defend the industry in the national media, and monitor media coverage. All industry stakeholders are asked to support the campaign through a financial contribution. Make your [pledge](#) today!

ARSA PAC's money in action

At a May 15 fundraising event, ARSA PAC presented \$1000 to the reelection campaign of the 2012 ARSA Legislative Leadership Award recipient, [Rep. Tom Petri \(R-Wisc.\)](#). The House Aviation Subcommittee Chairman has long demonstrated a commitment to the aviation maintenance industry.

"Chairman Petri and his staff worked closely with ARSA and the aviation industry to enact an FAA reauthorization bill that *strikes the right balance* between safety, oversight, and *a repair station's ability* to remain economically competitive and viable," said ARSA's vice president of legislative affairs Daniel Fisher, who attended the event. "ARSA PAC is proud to support a leader who shares so many of the Association's legislative priorities."

[Have you given solicitation consent to ARSA PAC yet?](#)

Solicitation consent allows ARSA PAC to communicate freely about our political activity with ARSA members, who understand that what happens on Capitol Hill impacts business.

Federal law requires ARSA to have explicit permission before communicating further about its political program. Only executive and management employees at ARSA member companies may provide such consent.

[Direct the leaders of your company to this solicitation consent form](#) and join the ranks of fellow industry advocates who have chosen to play an important role in ARSA's political program! If you have any questions about ARSA PAC, please contact ARSA Communications Coordinator [Josh Pudnos](#) at 703 739 9543.

2012 ARSA PAC Contributors

Capitol Hill Club (\$1,000)

Jim Perdue, SONICO

Bill Perdue, SONICO

Washington Team (\$500)

Marshal S. Filler, ARSA

Gary Fortner, Fortner Engineering

Lynn Fortner, Fortner Engineering

Robert Fortner, Fortner Engineering

Christian A. Klein, ARSA

Sarah MacLeod, ARSA

Bill Rathmanner, Aero Design Services

145 Club (\$145)

Jose Eduarte, A.I.R.S.

Randall Herman, Mid-America Aviation

Gary Jordan, Jordan Propeller Services

Jim Meyer, Aviation Repair Solutions

Barry Muhler, Aviation Repair Resources

Jennifer Weinbrecht, Component Repair Technologies

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Have you seen these candidates?

Throughout the election season, ***the hotline*** is introducing readers to the candidates running in some of the most critical Senate campaigns; this month we focus on Ohio. Democrat Sen. Sherrod Brown faces off with Republican Ohio State Treasurer Josh Mandel.

Sen. Sherrod Brown (D-Ohio)




Sen. Sherrod Brown is a Democrat running for reelection to serve a second term in the Senate.

Brown is a member of the Banking, Housing & Urban Affairs Committee, where he chairs the Subcommittee on Financial Institutions & Consumer Protection. He also serves on the Agricultural, Nutrition & Forestry Committee, the Appropriations Committee, the Veterans' Affairs Committee, and the Select Ethics Committee.

A graduate of Yale University, Brown has two master's degrees from Ohio State (public administration and education). Before election to the Senate, Brown was a college professor, a member of the Ohio House of Representatives, Ohio Secretary of State, and served seven terms in the U.S. House. Brown lives with his wife, Connie, in Avon. They have four children.

Sherrod Brown's campaign headquarters:

Friends of Sherrod Brown
340 E Fulton Street
Columbus, OH 43215-5418
330.835.9790
www.sherrodbrown.com
 [@SherrodBrown](https://twitter.com/SherrodBrown)

Josh Mandel (R-Ohio)



Josh Mandel is a Republican running for Senate in Ohio. He currently serves as Ohio's treasurer.

Mandel began his political career in 2003 as a city councilman in Lyndhurst, Ohio, where he served until his election to the Ohio House of Representatives in 2006. In 2009, Ohioans elected Mandel as their treasurer.

A graduate of The Ohio State University and the Case Western Reserve University School of Law, Mandel served in Iraq with the U.S. Marine Corps

Reserves before seeking elected office. Mandel lives with his wife, Ilana, in Beachwood.

Josh Mandel's campaign headquarters:

Citizens for Josh Mandel
50 West Broad Street, Suite 1900
Columbus, Ohio 43215-5929
614.754.7304
www.Joshmandel.com
 [@JoshMandelOhio](https://twitter.com/JoshMandelOhio)

For more information about these and other candidates, visit www.ARSAAction.org.

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International News

ARSA to Sponsor 2nd Annual China Aircraft Leasing and Finance Summit

ARSA is helping organize the [2012 China Aircraft Leasing & Finance Summit](#); serving on the organizing committee and facilitating conference enrollment. Hosted by the China Aviation Suppliers Holding Company in Tianjin, China Sept. 13-14 2012, the summit is the highest-level international annual aviation event in China.

The Summit allows attendees to network with decision-makers in the Civil Aviation Administration of China (CAAC) and a wide range of Chinese and International aviation companies doing business in the country.

The [agenda](#) features speakers covering three main topic areas. CAAC representatives and government speakers will discuss Chinese national policy supporting its aircraft leasing and finance markets. Speakers from companies involved in the nation's aircraft market will lead panels and presentations on China's current aviation leasing situation and funding resources, while providing an overview of the country's general aviation leasing industry outlook.

ARSA members receive a special discounted registration by noting their membership status when [registering online](#). Onsite simultaneous interpretation is available in English and Chinese.

The summit's organizers asked ARSA to serve on its organizing committee due to the Association's outstanding reputation among the international aviation industry. ARSA agreed to help promote the event as part of the Association's efforts to expand its global reach and promote its international partnerships.

International Roundup

Editor's Note: *To provide more international coverage, ARSA presents a monthly roundup of world events pertaining to the industry.*

[Staying Legal: Charged with Crimes](#) (*AviationPros.com*)

[CAE announces second Brazil pilot and aviation maintenance technician training center](#) (*D.O.M.*)

[ALTA and UMB Aviation join forces to launch major airline MRO event in the Latin American and Caribbean Region](#) (*Market Watch*)

[CAPA India Outlook 2012/13: Critical uncertainty prevails. Possible Air India shutdown](#) (*CAPA*)

[Georgia toughens control over civil aviation](#) (*Trend*)

[Qantas to separate international business in turnaround plan](#) (*Reuters*)

[Greenwich, Execujet ally in China](#) (AINonline)

[Gama group grows in Asia](#) (AINonline)

[China's general-aviation flight of fancy](#) (*The Wall Street Journal*)

Member Spotlight

Western Aero Repair, Inc., Denver, CO

Founded in 1989, Western Aero Repair quickly became known for its expertise with 707 aircraft. The company has steadily grown its inventory and knowledge base to cover a larger range of aircraft, and provides customers with expertise on both commercial and military parts.

Western Aero has earned a reputation for unimpeachable quality and customer service. It maintains a customer-centered focus and guarantees same day parts shipping backed by one-year warranty on all parts it repairs. Western Aero also distinguished itself by becoming an ISO-AS9120 certified vendor.

For more information visit <http://www.westernaero.com/>.

If you an ARSA member who would like to be in the "Member Spotlight," contact [Keith Mendenhall](#).

What's In It for You

Before you talk to the FAA, call ARSA: Full access to unparalleled regulatory expertise

By Jennifer Goodwin, ARSA membership & senior administrative coordinator

Did you know, that as an ARSA member, you have your own personal regulatory expert just a phone call away?

ARSA staff has years of experience in the aviation regulatory compliance matters, dealing with the FAA, the European Aviation Safety Agency (EASA), and numerous other national aviation authorities (NAA) and are available to provide practical advice to member companies as needed. Have a question about a particular FAA regulation? Call ARSA. Not sure how to interpret the latest compliance rule? Call ARSA. Need some guidance on how to respond to an FAA enforcement action? Call ARSA.

Chances are, whatever compliance or regulatory issue you're facing, ARSA's staff of expert attorneys have seen something similar before. So, before you talk to the FAA or any other NAA talk to ARSA to get your facts straight and ensure you're in compliance.

For a complete listing of full time staff members, click here: <http://www.arsa.org/node/61>.

Welcome New Members

[AEROMAN](#), Doral, FL

[Director of Maintenance Magazine](#), Milton, WI

[Silver Wings Aerospace, Inc.](#), Princeton, FL

[Vandergriff Technologies NDT Services](#), Haltom City, TX

[Compressed Gas Systems, LLC](#), Long Beach, CA

[Quality Aviation Instruments, Inc.](#), McKeesport, PA

[Tri-County Instruments](#), Lafayette, CO

ARSA Regulatory Compliance Training—Questions

Part 1: General Comprehension

Level 1: For anyone working in aviation

§ 65.87 Powerplant rating; additional privileges.

- a) Except as provided in paragraph (b) of this section, a certificated mechanic with a powerplant rating may approve and return to service a powerplant or propeller or any related part or appliance, after he has performed, supervised, or inspected its maintenance or alteration (excluding major repairs and major alterations). In addition, he may perform the 100-hour inspection required by part 91 of this chapter on a powerplant or propeller, or any part thereof, and approve and return it to service.
- b) A certificated mechanic with a powerplant rating can approve and return to service a powerplant or propeller, or any related part or appliance, of an aircraft with a special airworthiness certificate in the light-sport category after performing and inspecting a major repair or major alteration for products that are not produced under an FAA approval, provided the work was performed in accordance with instructions developed by the manufacturer or a person acceptable to the FAA.

Question 1: The privileges in this rule apply to propellers.	Question 2: A certificated mechanic with a powerplant rating can perform the 100-hour inspection required by part 91 on a powerplant and approve it for return to service.
A—True. B—False.	A—True. B—False.

Question 3: Under section (b) of this rule, a certificated mechanic with a powerplant rating can approve major repairs to a powerplant on an aircraft with a standard airworthiness certificate.	Question 4: Under section (a) of this rule, a certificated mechanic with a powerplant rating can approve major alterations.
A—True. B—False.	A—True. B—False.

Name _____
Clearly Print the Name of the Person Taking the Test

Date _____
Date Test was Completed

Score _____
Enter as x (number correct) of y (number of questions)

Hours _____
Time Credited for Test

Approved by _____
Signature of Supervisor or Person Administering Test

ARSA Regulatory Compliance Training—Answers

Correct answers are in **bold**

Part 1: General Comprehension

Level 1: For anyone working in aviation

§ 65.87 Powerplant rating; additional privileges.

- a) Except as provided in paragraph (b) of this section, a certificated mechanic with a powerplant rating may approve and return to service a powerplant or propeller or any related part or appliance, after he has performed, supervised, or inspected its maintenance or alteration (excluding major repairs and major alterations). In addition, he may perform the 100-hour inspection required by part 91 of this chapter on a powerplant or propeller, or any part thereof, and approve and return it to service.
- b) A certificated mechanic with a powerplant rating can approve and return to service a powerplant or propeller, or any related part or appliance, of an aircraft with a special airworthiness certificate in the light-sport category after performing and inspecting a major repair or major alteration for products that are not produced under an FAA approval, provided the work was performed in accordance with instructions developed by the manufacturer or a person acceptable to the FAA.

Question 1: The privileges in this rule apply to propellers.	Question 2 A certificated mechanic with a powerplant rating can perform the 100-hour inspection required by part 91 on a powerplant and approve it for return to service.
A—True (Correct answer). (Correct answer; the rule covers a powerplant or propeller or any related part or appliance) B—False.	A—True. (Correct answer; the rule provides for the performance of the 100-hour inspection required by part 91 on any powerplant, propeller, or any part thereof, and approving it for return to service.) B—False.
Question 3: Under section (b) of this rule, a certificated mechanic with a powerplant rating can approve major repairs to a powerplant on an aircraft with a standard airworthiness certificate.	Question 4: Under section (a) of this rule, a certificated mechanic with a powerplant rating can approve major alterations.
A—True. B—False. (Correct answer; a certificated mechanic with a powerplant rating can only approve major repairs to a powerplant on an aircraft with a special airworthiness certificate in the light-sport category that is not produced under an FAA approval, provided the work was performed in accordance with instructions developed by the manufacturer or a person acceptable to the FAA.)	A—True. B—False. (Correct answer; major repairs and major alterations are excluded from the privileges in section (a).)

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