

# Aeronautical Repair Station Association

## *the hotline*

September 30, 2012

Alexandria, VA

[www.arsa.org](http://www.arsa.org)

*SCOTUS passes on ICA*

*Page 5*

Are you a political pundit?

*Page 11*

### *Sarah Says*

## Looking Good?

*By Crystal Maguire, ARSA vice president of operations*

The Association is happy to announce its new and improved presence on the world wide web; our new façade, [www.arsa.org](http://www.arsa.org), is not just a pretty face. The site adds functionality that will increase efficiencies and enhance member outreach.

For example—

1. **Improved organization.** Utilizing menus, categories, tags, feeds and enhanced optimized search capabilities, ensures visitors can FIND STUFF.
2. **Mobile design.** Allows easy access and navigation via smartphones and tablets.
3. **Industry calendar.** Lists scheduled industry meetings and exhibitions. Got an event that needs promoting? Let us know!
4. **Social media integration.** Utilizes ARSA's twitter feed to quickly disseminate the latest news right on the home page, and offers easy access to ARSA's Facebook page and LinkedIn profile.

The site is still under construction, new content and capabilities are added daily, so check back often.

Particularly note that we are adding an enhanced regulatory library, the ability to search content by issue or regulatory citation, and a "members only" portal where users can update contact information, renew memberships and purchase publications.

*Continued on Page 2*

### *In this issue—*

2	<b>Legal Briefs</b>	11	Where did your lawmakers stand?	17	ARSA PAC: Who we've helped
3	<b>Regulatory Lookout</b>	13	A view from the Hill	18	DHS quizzed on security rule action
4	FAA issues AD for GENx-1B and 2B engines	14	<b>ARSA Action</b>	19	Have You Seen These Candidates?
5	<b>Final Documents/Your Two Cents</b>	14	Summer survey's telling results	21	<b>International News</b>
6	<b>A Member Asked</b>	14	<b>Positive Publicity Corner</b>	22	International Roundup
6	<b>Quality Time</b>	15	Positive Publicity	22	<b>Member Spotlight</b>
6	Employment Law & Repair Stations	16	<b>ARSA on the Hill</b>	23	<b>What's In It for You</b>
8	The Next Generation of Aircraft Technicians	16	<b>Bills on the Hill</b>	23	<b>Welcome New Members</b>
9	Legal Waypoints	16	ARSA video blog: SkyLounge	24	<b>Compliance Training—Questions</b>
11	ARSA's Pundit of the Year contest	16	Sequestration will hit FAA operations	26	<b>Compliance Training—Answers</b>

### ***Sarah Says, continued***

The site also promotes ARSA's newly released and revised publications, including a Model EASA Supplement, Model Repair Station and Quality Manual and Canadian Supplements. Descriptions and samples are available [here](#).

We welcome your feedback, comments and suggestions as you try out our new wheels!

## **Legal Briefs**

# **The E.C.-U.S. agreement and U.S. due process: Part I**

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

This month, we begin a series that is decidedly more “legal” than issues normally addressed in this column. That is, issues rooted in basic U.S. legal principles and not specifically aviation related. Nevertheless, the subject has a profound impact on a U.S. repair station's ability to defend itself – and its privileges obtained under the [Agreement Between the United States of America and the European Community on Cooperation in the Regulation of Civil Aviation Safety](#) (the Agreement) – during an FAA investigation.

First, however, we must recognize the Agreement's tremendous benefits; it recognizes the equivalency of FAA and EASA regulations. For particular activity such as maintenance, which is covered in Annex 2 of the Agreement, special conditions are identified to cover “gaps” between the FAA and EASA rules. The result is that a repair station in the U.S. can seek EASA Part-145 approval simply by complying with the EASA special conditions *in addition to* the FAA regulations to which it has already shown compliance. The reverse is true for an approved maintenance organization in Europe, which can obtain an FAA repair station certificate so long as it complies with the FAA special conditions *in addition to* the EASA rules it already follows. The agencies and industry realizes much greater efficiency in obtaining certification under the other regulatory system as duplicative requirements are “eliminated” and a “full-blown” certification effort is not required. Without the Agreement, this common sense approach is not possible.

The Agreement provides additional efficiency for the regulatory authorities. The competency and validity of each authority is recognized by the other; such recognition allows inspectors in the “home” country to act as “boots on the ground” for the other. For instance, EASA surveillance of a U.S. facility is carried out by FAA inspectors who simply relay the information to EASA. That practice is both logical and efficient.

While, the Agreement is clearly a benefit to both the industry and the regulatory authorities, “differences” between individual rights and



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## Legal Briefs, continued

governmental powers in the U.S. and European Community raise interesting legal questions. The crux centers upon the suspension of privileges by one regulatory authority based upon allegations of non-compliance with the other regulatory authority's rules *before* those allegations have been fully adjudicated. In other words, a "shoot first, ask questions later" response to purported regulatory violations. For example, when EASA is informed by the FAA of potential violations of 14 CFR against a U.S. entity, the European agency can (and will) remove the EASA part 145 certificate. That position is problematic under U.S. law, and therefore raises legal questions when the alleged violation is centered upon U.S. regulations and involves the direct participation of a U.S. regulatory agency.

The specific legal issue arises from actions taken by EASA during an investigation of a potential FAA rule violation. It normally occurs when the U.S. repair station is seeking continuation approval of its EASA part 145 privilege. In real-life, the scenario involves the following sequence of events:

- (1) The FAA begins investigating a potential violation of its rules by a U.S. repair station;
- (2) The repair station responds to the allegation;
- (3) The FAA may or may not proceed toward civil penalty or certificate action against the repair station based on the allegation;
- (4) When administering the EASA continuation approval process, the FAA sends a "non-recommendation" to EASA citing the alleged FAA rule violation; and
- (5) EASA suspends the U.S. repair station's EASA Part-145 approval based upon the alleged violations of 14 CFR (a U.S. rule) – before the U.S. government takes action on the allegations.

As a result, the U.S. repair station is in limbo while the FAA investigation runs its course; the FAA privileges remain valid, but the EASA privileges are suspended indefinitely.

Can the EASA suspension, which is based solely on an alleged violation of U.S. regulations, take effect before the U.S. entity has the opportunity to defend itself as provided under U.S. law? The next few issues of this publication will spotlight this question; stay tuned. (In our view, this is a much different question than an alleged violation of an EASA "special condition", which is based in EASA regulation.)



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## Regulatory Lookout

### FAA grants comment extension for MAG AC

On Sept. 4, FAA notified of ARSA of a 45-day extension of the comment period for draft Advisory Circular [145-11](#).

The draft AC provides guidance on how U.S.-based repair stations may obtain, renew, or amend EASA approval utilizing the [Maintenance Annex Guidance](#). In its [request](#) for additional comment time, the Association stressed that there are still outstanding issues being resolved, such as [part-tagging requirements](#), which would affect the guidance when addressed.

Comments are due Oct. 15. For more information and to comment, [click here](#).

## Blue Ridge to offer FAA-approved distance learning

On Oct. 17, Blue Ridge Community College (BRCC) will launch the nation's first FAA-approved online program in aviation maintenance technology.

Upon completion, graduates will be eligible to take the FAA written, oral, and practical exams for a Mechanic's Certification with Airframe & Powerplant ratings. ARSA [has been working closely](#) with BRCC to modernize the FAA-mandated curriculum at certificated aviation maintenance schools.

For more information, visit BRCC's AMT program [website](#).

## FAA issues AD for GEnx-1B and 2B engines

As expected, the FAA issued an [airworthiness directive](#) (AD) on Sept. 21 for certain General Electric next generation (GEnx) engines. The AD requires ultrasonic inspections of the fan midshaft described in GE Service Bulletin No GEnx-2B S/B 72-0091, Revision 1 or No.GEnx-1B S/B 72-107, Revision 2, dated September 14, 2012, as applicable, before further flight.

The agency's action follows a Sept. 14 National Transportation Safety Board [letter](#) urging the issuance of the AD.

## Help USAF improve MRO acquisitions

The United States Air Force needs your help to improve its acquisition of MRO services.

On behalf of the USAF, [TASC, Inc.](#), is researching the civil MRO market to help the USAF take advantage of commercial best practices. TASC has asked ARSA members for their support in this effort.

The focus of the study is commercial MRO services similar to those required for C-17, C-21, C-40, C-130, KC-10, and KC-135 and military commercial derivative aircraft. The goal is to identify a decision model that incorporates important factors and effective contracting practices for the acquisition of MRO services and commercial best contracting practices.

Two questionnaires are available, a six question survey for MRO users that seeks to understand issues considered in selecting a provider ([click here](#)); and an eight question query for repair stations that asks about factors considered in contracting and subcontracting ([click here](#)). Your response to any or all of these questions will help identify potential efficiencies in MRO acquisition practices. Once cleared by the USAF, TASC's final report will be provided to those who respond.

Please complete and send your responses by Friday, Oct. 26 to:

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## SCOTUS passes on ICA

The Supreme Court will not hear a dispute with important implications relating to the FAA's handling of regulations on Instructions for Continued Airworthiness (ICA).

*Avidar v. Rolls Royce*, the case at issue in ARSA's friend of the court [brief filed](#) by the Association this summer, received a judicial conference on Sep. 24. The Court denied the petition to consider it, leaving the judgment of the lower court to stand.

In recent years, less than 0.01 percent of cases that petition the Court are selected for consideration.

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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 by [clicking here](#).

## A Member Asked

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

**Q:** Is it possible for a U.S.-based repair station to start its EASA continuation approval process early (i.e., before the due date)?

**A:** Although the process could start before the due date, the EASA/FAA Maintenance Annex Guidance “frequently asked questions” document notes that there is no fee reduction for early renewal (see [question 94](#)). It is very important, however, for everyone to remember that a new EASA supplement is required even if renewal isn't due before the end of this year; as stated in section B, VIII (4) of the MAG: “All EASA approval holders must have a new supplement in place latest 31 December 2012.”



Register now for the ATA e-Business Forum to be held **October 22-24, 2012 in Scottsdale, Arizona**. The ATA e-Business Forum is the industry's premier event to

learn about the latest developments in information exchange to support engineering, maintenance, materiel, cyber-security and flight operations. In addition to learning about the airline industry's most widely accepted e-business specifications (Spec 2000, S1000D, iSpec 2200, Spec 42 and Spec 2300), learn how the industry has attributed significant savings and operational efficiencies to the use of these global specifications.

### Special Guests:

*Keynote Presenter:* Ray Valeika, Consultant (Retired Senior Vice President TechOps, Delta Air Lines)

*Lunch Presenter:* Richard Aboulafia, Vice President Analysis, Teal Group

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## Quality Time

**Editor's Note:** The views and opinions expressed by contributing authors do not necessarily state or reflect those of ARSA, and shall not be used for endorsement purposes.

### Employment Law & Repair Stations

## Some Recent News about the Americans with Disabilities Act

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

### Is placing a disabled worker in a vacant position a reasonable accommodation?

Until recently, a employer was **not required** to transfer a disabled person who was unable to perform his or her current job to a vacant position for which a better candidate exists – provided it was the employer's “consistent and honest policy” to select the best-qualified applicant.

A similar issue was addressed in a 2000 Supreme Court opinion. In that case a disabled employee had been transferred to a physically less demanding position after a back injury. He lost his job when a more senior employee was permitted to bid on the position under the employer's seniority system. He filed a lawsuit against

the employer, claiming a violation of the Americans with Disabilities Act (ADA) because the employer failed to honor his request to be permanently assigned to the position as a “reasonable accommodation.”

The Court decided that: (1) an employer’s showing that a requested accommodation conflicts with seniority rules is ordinarily sufficient to show that accommodation is not reasonable, and (2) the employee may present evidence of special circumstances that makes an exception to the seniority rule reasonable under particular facts. Specifically, the burden is on the employee to explain why an exception to a seniority policy can constitute a reasonable accommodation, even though in the ordinary case it cannot.

However, the test may now be whether placing a less qualified, disabled person in a vacant position is a reasonable accommodation; that is, would it create an “undue hardship” for the employer. The employer in this more recent Circuit Court case had a reasonable accommodation guideline that stated that reassignment is “competitive” and a qualified disabled worker would not necessarily receive the job if a more qualified candidate was available. The court concluded that, “The Supreme Court has found that accommodation through appointment to a vacant position is reasonable [rather than can possibly be reasonable]. Thus absent a showing of undue hardship, an employer must implement such a reassignment policy.” The court went further to say that the trial court should consider if mandatory reassignment of a disabled worker unable to perform his current job is “ordinarily, in the run of case, a reasonable accommodation.” In so doing, the circuit court here shifted the burden from the employee to the employer. That is, the employee is no longer required to explain why seniority or another similar policy can constitute a reasonable accommodation. Rather, the employer has the burden of proving that placing a less senior or less qualified disabled worker in a vacant position would create an “undue hardship.”

Under these circumstances, an employer should review its policies to leave open the possibility that a disabled worker could possibly be placed into a vacant position, irrespective of a policy favoring a more qualified worker, and then apply the “undue hardship” test before making a final decision.

### **When is working from home not a reasonable accommodation?**

Some help in answering this question comes from another recent case where an employee filed a complaint that her employer would not accommodate her request to work from home up to four days a week. Her job involved personal interactions with co-workers and contacts outside the company, group problem solving sessions, and was “highly interactive,” requiring interactions with the buyers and the suppliers which would not be adequately handled over the phone or by email. The court agreed with the employer that her request to be absent from the workplace was not a reasonable accommodation.

Employers, then, must be prepared to offer supportable reasons why presence in the workplace is an essential function of a job.

### **Are overtime and flex time essential functions of a job?**

The simple answer to this is whether the employer includes overtime and flex time in the job description. The solution, of course, is to have meaningful job descriptions that include all essential functions.

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## *The Next Generation of Aircraft Technicians*

# Preparing Students For The Hiring Process

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

The first in this series of articles ([January 31, 2012 issue of the hotline](#)) addressed the growing manpower needs in aviation maintenance. Subsequent articles discussed ways ARSA members can assist maintenance schools in attracting students and in shaping areas of the curriculum. This month, we will talk about preparing students for the hiring process.

Every school strives to have its students well prepared for their first interview. Schools stress the desired behaviors of the professional technician, while emphasizing the need to keep one's record clean and engage in personal and professional development opportunities. Students are encouraged to research each company to which they apply and explain how their skill-sets match an employer's needs. Schools help students prepare for their job search, offering review of resume and cover letters and interview tips. Advice and guidance from faculty and teachers also plays an important role, some institutions have staff dedicated to these tasks; others embed this content into a special course.

So how does your company fit into this process?

As employers of our graduates, it is critical that students understand your views on what is needed in the workplace. Students place the desires of employers at a premium and give it more credence than similar information from a school. Visiting your local AMTS to speak with students about career opportunities is a great place to start.

When an employer, visits a school to talk about careers, it is important to not only talk about specific opportunities, but to also about the hiring process, both in person and electronically. For many, this will be an entire new world. Most students do not appreciate that background checks often include credit history and traffic violations; letting students know what kind of traits you look for will help them be better prepared when it is time to launch their careers.

Visiting school and meeting with students gives employers an opportunity to shape how students prepare and present themselves. I once invited a senior recruiter from an OEM service center to talk to a class about the hiring process. One point she stressed was personal appearance. Her clients often came to observe the work being performed on their aircraft. In her facility, the technician was on display and often directly interacted with the client. Students were surprised to hear that factors unrelated to maintenance played an important role in winning-over clients.

Sponsored mock interviews are an invaluable tool that employers can provide. In a few weeks, I will be taking a group of students to an employer for practice interviews. The employer will provide a position posting, and the students will prepare application letters and resumes. We will review those together in-house, then send them to the employer. Each student will be given a 10-15 minute interview by a panel of managers, followed by a debriefing on their letter, resume, and the interview itself. Providing real interviewing experience in a non-threatening environment by employers is something schools can host, but not replicate.

All of us involved with hiring can list the things we have observed candidates do to eliminate themselves. Use your knowledge to work with your local school to inform students how to avoid the common pitfalls. Stress the



importance of behavior, performance, and presentation. None of these skills are required to obtain an A&P certificate. However, they are skills you seek in your future employees. Working with your local aviation maintenance technician school is your key to being the first employment choice for those new technicians.

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## *Legal Waypoints*

### **A Case Study in Indemnification – Am. Eurocopter v. CJ Systems**

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

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

Indemnification provisions present many challenges, including complex questions of interpretation and enforcement. A recent case from Texas illustrates just how difficult it can be to draft an enforceable indemnification provision. [American Eurocopter Corporation v. CJ Systems Aviation Group](#), decided July 18, 2012 by the Court of Appeals, Fifth District of Texas is a legal waypoint for all participants in the aviation MRO industry.

#### **Background:**

On October 16, 2000 a Eurocopter helicopter owned by Duke University Medical Center and operated by CJ Systems (CJ) crashed upon failure of its main gearbox. The gearbox had been recently overhauled by

American Eurocopter (American). CJ's mechanics installed and tested the gearbox without issue only four days before the accident. Just 3.5 hours of use after the gearbox installation, the helicopter's oil-pressure (but not oil-temperature) warning light for the gearbox illuminated in flight. The helicopter landed safely and was taken out of service by the pilot John Holland.

Holland called CJ's mechanic on duty. After some troubleshooting, CJ's mechanic and Holland decided that since the gearbox was newly overhauled and had limited use the problem was a faulty oil-pressure switch. Holland ran the helicopter on the ground, hovered a few minutes, and then flew off. About one minute into the flight the gearbox suffered a catastrophic failure caused by a lack of gearbox lubrication. Holland was killed in the crash. After the accident it was learned that the gearbox had not passed the appropriate tests at American before being certified as airworthy.

### **The Indemnity Agreement:**

CJ had specific authorization from American under a Service Center Agreement to maintain and repair certain Eurocopter helicopters. The Service Center Agreement contained a provision requiring CJ to indemnify American for all losses with respect to defective work *"arising from services furnished and work performed"* by CJ. The provision also provided:

"[CJ's] indemnity and hold harmless obligations specifically extend to any and all losses, damages, injuries, claims, demands and expenses, including legal expenses of any kind and nature, arising from [CJ's] sole negligence. Without limiting the foregoing, in no event shall American Eurocopter be liable for any loss, damage, injury, or claim resulting from any matter, which could have been discovered by [CJ] through the exercise of reasonable diligence in connection with the undertaking of any inspection, maintenance, and/or repair performed by [CJ]." (emphasis added).

At trial, the jury found that CJ "performed defective work" and that CJ could have discovered the matter that resulted in the loss. CJ argued that the Texas express negligence doctrine barred American's claim for indemnity. The express negligence doctrine prohibits a party from seeking indemnification for their own negligence unless that intent is expressed in specific terms in the provision. American claims that the express negligence doctrine does not apply because the provision seeks indemnification for CJ's negligence and not American's.

The Court of Appeals sided with CJ, stating that the provision "implicates indemnification for American's negligence in the event CJ could have discovered - through the exercise of reasonable diligence in connection with its undertaking any inspection, maintenance, or repair - the matter causing the loss." Since the jury found the negligence of both parties contributed to the loss, and the indemnification applied in the event of the parties' concurrent negligence, the express negligence doctrine barred American's claim for indemnification.

This case illustrates how difficult it can be to draft an enforceable provision not subject to significant differences in interpretation. Please feel free to contact me by email if you would like a copy of the decision.

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### **Become an ARSA Champion!**

ARSA Champions are members who help to actively promote the Association and its activities, and work to get other companies to join. By providing informational brochures at trade shows and industry meetings, ARSA Champions ensure we obtain the support we need to provide even more and better services. [Click here](#) for more information on becoming an ARSA Champion!

## Got what it takes to be ARSA's 2012 Pundit of the Year?

With Election Day just weeks away, everyone is predicting the outcome. So how do your picks stack up against others in the aviation maintenance industry? [Answer this short survey](#) by November 5 to find out – the winner will be declared ARSA's 2012 Pundit of the Year.

To provide a little guidance, ARSA's legislative affairs team has offered its own predictions. Political analysis comes from Executive Vice President Christian Klein, Vice President of Legislative Affairs Daniel Fisher, Communications Director Jason Langford, Communications Coordinator Josh Pudnos, and Communications Intern Matt McKinney.

The following are calculations based on knowledge of the political landscape and polling information (as of Sept. 25), and should not be construed as an endorsement for one candidate over another.

Race	Candidates	Prediction (ARSA Vote)
Fla. Senate	Sen. Bill Nelson (D) v. Rep. Connie Mack (R)	Nelson (5-0)
Ohio Senate	Sen. Sherrod Brown (D) v. Josh Mandel (R)	Brown (4-1)
Mass. Senate	Sen. Scott Brown (R) v. Elizabeth Warren (D)	Warren (3-2)
Mo. Senate	Sen. Claire McCaskill (D) v. Rep. Todd Akin (R)	McCaskill (5-0)
Mont. Senate	Sen. John Tester (D) v. Rep. Denny Rehberg (R)	Rehberg (3-2)
Nev. Senate	Sen. Dean Heller (R) v. Rep. Shelley Berkley (D)	Heller (3-2)
N.D. Senate	Heidi Heitkamp (D) v. Rep. Rick Berg (R)	Berg (5-0)
Va. Senate	Tim Kaine (D) v. George Allen (R)	Kaine (5-0)
Balance in Senate	Democratic Party v. GOP	50-50
Presidential Electoral Votes	Pres. Barack Obama (D) v. Gov. Mitt Romney (R)	Obama: 332 Romney: 206

## Where did your lawmakers stand in the 112th?

Knowing exactly where your lawmakers stand on the issues is the most important step in being an informed and active participant in the political process.

With Election Day approaching, a steady diet of uninspiring campaign rhetoric, hyperbolic accusations, and political mudslinging will continue to feed the airwaves. Add to the mix the hundreds of millions of dollars spent by outside groups and Super PACs and it can be all too easy to forget the most important question to ask on Nov. 6, "Do I approve of the way my lawmakers are voting?" ARSA carefully selected [the House and Senate votes important to the aviation maintenance industry](#) to help answer that critical question.

The vote charts are an objective measure of how legislators voted on issues important to the industry and are a small fraction of a member's voting record. The charts do not include intrinsic factors you should consider when casting your ballot in the upcoming election, such as a candidate's character, professional qualifications, or positions on other issues that matter to you personally. Furthermore, a candidate's ARSA voting record should neither be read as an endorsement of any candidate, nor as a statement of opposition to a lawmaker's reelection.

### House votes

*The Comprehensive 1099 Taxpayer Protection & Repayment of Exchange Subsidy Overpayments Act (H.R. 4)*  
– ARSA supported – Passed

This was the first and only law passed to overturn a portion of the president's signature healthcare law, the Affordable Care Act. H.R. 4 repealed a provision in the law that would have mandated companies to report every transaction with an outside vendor totaling more than \$600 on an IRS Form 1099 beginning in 2012.

*Mandatory Criminal Background Amendment (H.AMDT.217) – ARSA opposed – Failed*

In the fight for FAA reauthorization, the House beat back an amendment from Rep. Peter DeFazio (D-Ore.) that would have mandated criminal background checks for employees at part 145 repair stations. ARSA members aggressively lobbied against the proposal during the Association's 2011 Annual Legislative Day, which coincided with House floor debate on the matter.

*Three Percent Withholding Tax Repeal (H.R. 674) – ARSA supported – Passed*

The Tax Increase Prevention Reconciliation Act (TIPRA), enacted in 2006, included a provision requiring governmental entities whose annual expenditures exceed \$100 million withhold three percent of all payments made to any individual or company that provided goods or services to the government. H.R. 674 repealed the onerous tax would have had no relationship to a company's taxable income, impinging on cash flow and effectively resulting in an interest-free loan to the U.S. Treasury.

*Regulatory Flexibility Improvements Act of 2011 (H.R. 527) – ARSA supported – Passed*

The Regulatory Flexibility Improvements Act of 2011 aimed to strengthen the Regulatory Flexibility Act (RFA), the law that requires federal agencies to contemplate the impact of regulations on small business. The legislation mandated that federal agencies consider both direct and indirect impacts of regulations while also requiring a periodic review of all rules that have a significant economic impact on a substantial number of small entities. The bill passed the House, but stalled in the Senate.

*FAA Reauthorization Conference Report Final Vote (H.R. 658) – ARSA Supported – Passed*

After 23 short-term extensions of the prior FAA authorization law, Congress enacted the FAA Modernization & Reform Act, which authorized \$15.9 billion annually for the agency through 2015. The law, which strikes the right balance between safety, oversight, and operational freedom for repair stations, was a significant victory for the aviation maintenance industry.

*Repeal of Affordable Care Act (H.R. 6079) – ARSA Supported – Passed*

Shortly after the Supreme Court upheld the Affordable Care Act, House Republican leaders proposed H.R. 6079 to scrap the law. H.R. 6079 passed the chamber, but was not taken up in the Senate.

### **Senate votes**

*Repealing the Job-Killing Healthcare Law Act Amendment (S. 223) – ARSA supported – Failed*

Offered as an amendment to the FAA Air Transportation Modernization & Safety Improvement Act, the measure sought to repeal the Affordable Care Act.

*The Comprehensive 1099 Taxpayer Protection & Repayment of Exchange Subsidy Overpayments Act (H.R. 4) – ARSA supported – Passed*

See House vote description.

*Surface & Air Transportation Programs Extension (H.R. 2887) – ARSA supported – Passed*

The expiration of surface transportation and aviation authorizations overlapped in the 112th Congress, necessitating several temporary extensions for both programs. The Surface & Air Transportation Extension Act of 2011 extended surface transportation programs for six months (through March 31, 2012) and the FAA for four months (through Jan. 31, 2012). This short-term extension followed a partial shutdown of the FAA and proved to be one of the last.



*Three Percent Withholding Tax Repeal (H.R. 674) – ARSA supported – Passed*

See House vote description

*FAA Reauthorization Conference Report Final Vote (H.R. 658) – ARSA supported – Passed*

See House vote description

### **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!

## **Empower, Don't Punish, Job Creators**

*By Rep. Bill Johnson (R-Ohio)*



*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 [Rep. Bill Johnson](#), a first-term Republican lawmaker representing Ohio's 6th Congressional District. The views expressed by Rep. Johnson do not necessarily reflect those of ARSA.*

There are many serious problems in Washington: the Senate refuses to consider a budget, the national debt continues to balloon, spending on food stamps and other social programs have skyrocketed, and the prospect of massive defense cuts has ended America's ability to successfully fight a two front war – the foundation of our defense strategy since World War II. But maybe the most troubling and far-reaching problem in

Washington now is the Obama Administration's treatment, through its policies and its rhetoric, of small business owners – America's job creators.

Small businesses serve as the engine of our economy creating more than 60 percent of new jobs. They are manufacturers, restaurants, service stations, construction companies, high-tech startups– they are America's innovators. They are risk takers. They create goods and provide services that people want. They employ tens of millions of Americans. And they are hurting. They are hurting because this Administration is regulating them into the ground.

According to the Heritage Foundation, President Obama has imposed new regulations on job creators costing them \$46 billion annually on a variety of goods and services ranging from air conditioners, refrigerators, freezers, car emissions, product labeling, higher minimum wages for foreign workers and health care mandates under Obamacare. Not surprisingly, the most expensive regulations come from the President's EPA which cost businesses an additional \$4 billion annually.

And if these regulatory burdens and federal mandates aren't enough, the President and some in Congress want to raise taxes on job creators that are finding ways to succeed. A recent Ernst & Young analysis of



President Obama's proposed tax hike indicates that the tax will hit thousands of small businesses, costing our economy more than 700,000 jobs. Why would we punish successful businesses? Why would we make it harder for them to expand, invest and hire more people?

We may have gotten that unfortunate answer from the President recently. In a speech, President Obama stated that, *"If you're successful, you didn't get there on your own."* He went on to declare that *"If you've got a business, you didn't build that. Somebody else made that happen."* I meet with small business owners regularly. I know that many small business owners work long hours, weekends, borrow against their mortgage, skip paying themselves so they can meet payroll for their employees and then pay the taxes that fund the roads, bridges, schools and fire departments in their community. The President's statements show, at best, a complete lack of understanding how America's economy works. At worst, it shows a callous disregard for job creators and taxpayers.

There is much to fix in Washington, but freeing our job creators should be the top priority. The President should reconvene his White House Jobs Counsel that was charged with developing recommendations to spur job growth (which hasn't met for six months), overhaul the regulatory process, scrap all plans for tax hikes and begin to work to create an environment where small businesses can focus on innovating and growing again rather than complying with federal mandates, higher taxes and even more red tape.

I look forward to working with ARSA members to get our nation's small businesses growing and creating jobs.

## **ARSA Action**

### **Summer survey's telling results**

Though we are still crunching the numbers, there are a few major takeaways from the 175 responses to our summer survey that reinforce the importance of ARSA's advocacy efforts.

Repair manual availability remains a problem for repair stations. Fifty-seven percent of respondents said they had trouble obtaining ICA from one or more manufacturers in the past year. While just over half (51 percent) of respondents were familiar with the FAA recent ICA [policy](#) and [legal interpretation](#), 60 percent remained skeptical either would improve access to ICA.

The industry also has serious concerns over the current ban on FAA certification of new foreign repair stations. Of the respondents, 71 percent indicate that potential EASA retaliation against U.S. EASA approval holders would have a major or devastating impact on profitability, and would threaten the ability to stay in business. These results underscore the economic damage that could result if the TSA does not heed the industry's call to [lift the ban](#) by immediately issuing congressionally-mandated repair stations security rules.

ARSA would like to thank everyone who took the time to participate in the summer survey; each answer enables the Association to serve its members and the industry better.

## **Positive Publicity Corner**

### **The intersection of politics and PR**

*By Jason Langford, ARSA director of communications*

The research generated by ARSA's PPC sits at the nexus of the Association's public relations and political advocacy efforts.

ARSA's data on the industry's economic footprint and the importance of bilateral aviation safety agreements are essential tools in the Association's arsenal. This information shows the dollars and cents benefits contract

maintenance has on local communities and has painted a sharp picture of the dangerous economic consequences that would follow from actions designed to unduly restrict the industry.

The PPC's impact and value for the Association is therefore bigger than just being limited to PR. On the political side, the PPC data has helped sway lawmakers away from supporting legislative efforts that would have destroyed the delicate framework of international agreements that govern civil aviation maintenance. On the PR front, the data has demonstrated to skeptical reporters the benefits the industry brings to local communities and reinforced the industry's positive safety record, making those journalists less susceptible to the false safety and economic arguments raised by our industry's foes.

In both scenarios the PPC has been a winner for maintenance; it has stopped negative legislation and it has allowed the industry's value-driven message to reach the public.

To ensure the ongoing value of this data, however, it must stay current. ARSA has solicited proposals to update and expand this data, but they don't come cheap.

The Association needs your help to ensure the validity of the PPC. Thanks to the efforts of just a [few companies](#), the PPC has allowed ARSA to accomplish much. But, there is much more to do.

Can you step up to the plate and help ARSA and the PPC achieve even more?

For less than the cost of a minor advertising campaign, your dollars are put to work fighting for the industry. What's more your funds are pooled with others in the maintenance industry, multiplying their impact and your return on investment.

[Click here to make your investment in the PPC today.](#)

*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.*

[Oregon Aero kicks off expansion of new facility](#) (Rotor News)

[Regional airline opening maintenance station at CVG](#) (Business Courier)

[Custom Aircraft Cabinets announces 150 new jobs, \\$5.9M expansion](#) (KHOZ, 102.9)

[Western Jet opens Reno maintenance satellite](#) (AINonline)

[Constant Aviation opens new facility](#) (AINonline)

[Gulfstream plans new Massachusetts facility](#) (AINonline)

[New maintenance provider at airport](#) (Herald Citizen)

[Constant Aviation opens new facility](#) (Avionics Intelligence)

[New business lands at the Davidson County Airport](#) (The Dispatch.com)

[Ivy Tech dedicates aviation center](#) (Stacey Page Online)



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## **ARSA on the Hill**

*By Daniel Fisher, ARSA vice president of legislative affairs*

In September, ARSA's legislative team continued educating lawmakers about the impact the foreign repair station certification ban is having on the industry. Our efforts resulted in a letter from Rep. Adam Schiff (D-Calif.) urging TSA to finalize the repair station security rule ([see related article](#)).

The legislative team met with the Aviation Technician Education Council's Board of Directors to discuss policy issues related to workforce development and building a legislative program.

ARSA PAC delivered campaign support to Rep. Mike Rogers (R-Ala.), chairman of the House Transportation Security Subcommittee. Rogers has been a leader on aviation issues, particularly efforts regarding the TSA repair station security rule and the ban on foreign repair station certification. Additionally, ARSA PAC contributed to Rep. Pat Meehan's (R-Pa.) reelection campaign. Meehan is a member of the House Aviation Subcommittee and is chairman of the House Counterterrorism & Intelligence Subcommittee.

Association representatives attended an Aeroclub luncheon featuring National Transportation Safety Board Chairman Deborah Hersman.

ARSA continued to expand the reach of its political program by fundraising for ARSA PAC. To this end, Government Affairs Committee members were informed about the importance of achieving "Multicandidate PAC" status and how the Association can achieve this milestone.

## **Bills on the Hill**

### **Check out ARSA's new political video blog series: SkyLounge**

ARSA has a new video blog, SkyLounge, hosted by Vice President of Legislative Affairs Daniel Fisher, to discuss hot political issues.

In the first episode Fisher examines (with a dash of humor) the purpose of the Association's political action committee ([ARSA PAC](#)), how political campaigns spend contribution dollars, and why it's important for ARSA to play a role in the election process.

[Click here](#) to view SkyLounge.

### **Sequestration will hit FAA operations, White House says**

The FAA could see its budget slashed by more than \$1 billion if sequestration goes ahead as planned according to the White House Office of Management and Budget (OMB).

OMB reported that the FAA will have its \$15.9 billion budget reduced by \$1.04 billion annually, stating that the FAA's "ability to oversee and manage the Nation's airspace and air traffic control will be reduced."

The OMB analysis shows that the portion of the FAA's operations account will lose \$792 million. As the FAA already faces challenges in operational funding, the cuts could significantly hinder many areas, including inspections and certification programs. Other FAA accounts will also see reductions, including \$229 million to the facilities and equipment budget and \$14 million in funds dedicated to research engineering and development. The Airport Improvement Program (AIP) will not be impacted by sequestration.

The FAA faces the lion's share of potential cuts to the Department of Transportation. While the distributions of any potential cuts remain unknown, analysts predict that simply delaying projects or staff attrition will not likely allow it to meet its reduced budgetary authority.

An earlier [study](#) commissioned by the Aerospace Industries Association also indicates the enormous economic implications of sequestration. Lost output by the aviation industry is estimated between \$9.2 billion and \$18.4 billion, leading to approximately 132,000 jobs lost. Furthermore, should sequestration delay implementation of NextGen, roughly \$40 billion and 700,000 jobs could be lost by 2021 due to an overworked, outdated, and inefficient air transportation control system. Those figures increase to \$80 billion and 1.3 million jobs by 2035.

Congress must come up with a mechanism by the end of the year to prevent these catastrophic cuts. Visit [ARSAAction.org](http://ARSAAction.org) to tell your lawmakers that our industry and our economy cannot take this blow.

## **ARSA PAC: Who we've helped**

Participation in the Association's political program surged in 2012, allowing ARSA PAC to make a difference in more campaigns than ever before. ARSA PAC makes contributions to the campaigns of candidates who share the policy goals and legislative priorities of the contract maintenance industry. Here are some of the terrific candidates supported by ARSA PAC.

**Rep. Tom Petri (R-Wis.)**



Rep. Petri is Chairman of the House Aviation Subcommittee. He is also the recipient of the [2012 Legislative Leadership Award](#).

**Rep. Mike Pompeo (R-Kan.)**



Rep. Pompeo is the former CEO of Thayer Aerospace, an aerospace manufacturing company. He attended an ARSA outreach meeting in Wichita.

**Rep. Tim Walberg (R-Mich.)**



Rep. Walberg is a member of the House Transportation Security Subcommittee and has supported the Lift the Ban campaign.

**Rep. Adam Schiff (D-Calif.)**



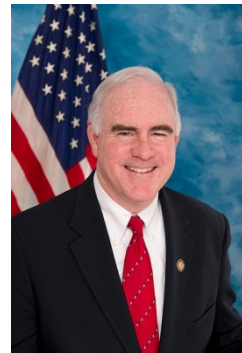
Rep. [has pushed TSA](#) to finalize security rules so the FAA can certificate new foreign repair stations.

**Rep. Mike Rogers (R-Ala.)**



Rep. Rogers is Chairman of the House Transportation Security Subcommittee and has supported the Lift the Ban campaign.

**Rep. Pat Meehan (R-Pa.)**



Rep. Meehan is a member of the House Aviation Subcommittee and the House Homeland Security Committee.

## **ARSA PAC's case for political engagement**

With the Nov. 6 rapidly approaching, ARSA PAC wants to ensure that all members are fully engaged in the electoral process. [Grant solicitation consent to ARSA PAC now](#) so that the legislative team can communicate freely about strategic activity during the political season.

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

[Give ARSA PAC solicitation consent](#) to learn about joining 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)***

Bill Perdue, SONICO

Jim Perdue, SONICO

### ***Washington Team (\$500)***

Marshal S. Filler, ARSA

Gary Fortner, Fortner Engineering

Lynn Fortner, Fortner Engineering

Robert Fortner, Fortner Engineering

Sarah MacLeod, ARSA

Christian A. Klein, ARSA

Bill Rathmanner, Aero Design Services

### ***145 Club (\$145)***

Matthew Bickel, EB Airfoils

Russell Buckley, Auburn Aerospace, Inc.

Ian Cheyne, BBA Aviation

Jose Eduartez, A.I.R.S.

Daniel Fisher, ARSA

Randall Herman, Mid-America Aviation

John Hunter, HEICO

Gary Jordan, Jordan Propeller Services

Dave Latimer, TIMCO

Mike Leland, Commercial Jet

Brian Loomer, AAR Aircraft Services

Jim Meyer, Aviation Repair Solutions

Barry Muhler, Aviation Repair Resources

Jennifer Weinbrecht, Component Repair Technologies

## **DHS quizzed on security rule action**

On Sept. 14, Rep. Adam Schiff (R-Calif.) sent a [letter](#) to Department of Homeland Security (DHS would allow the FAA to again certificate new foreign repair stations.

Schiff highlighted the negative impact the ban has on US competitiveness in the aviation maintenance iand reminded Secretary Napolitano that the rule must be issued to put Americans back to work.

"The prohibition has not encouraged the agency to act; instead it has only punished the aviation industry and weakened U.S. leadership in aviation maintenance services. The rule needs to be issued, so that American companies can start competing for foreign repair station contracts," Schiff said.

The Association commends Rep. Schiff for his leadership in urging TSA to finalize the repair station security rule. To remind your lawmakers of the importance of lifting the ban on certificating new foreign aviation repair stations, visit [ARSAAction.org](#). For more information on ARSA's "Lift the Ban" campaign, [click here](#).



### **TSA tells ARSA it's "diligently" working on security rule**

The TSA is "cognizant of the issues created by the delay" in the repair station security rule and is "working diligently to complete the rulemaking" Administrator John Pistole stated in a Sept. 11 [letter to ARSA](#).

Pistole's letter comes in response to an [ARSA-led coalition letter](#) of August 20 requesting an update from Napolitano on the status of the repair station rulemaking.

## **We Want You: To Sponsor the 2013 Symposium!**

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*Annual Repair Symposium*

**Gain visibility and credibility for your company** by sponsoring the ARSA Symposium. **All sponsors** receive recognition on ARSA's home page, in *the hotline* newsletter, weekly email bulletins, attendee materials and video intermission material.

Sponsorship also includes **one complimentary registration** per \$5,000 sponsored (registration discounts will be prorated for sponsorships made in increments less than \$5,000).

**Both full and partial sponsorships are available.** A full sponsor pays the entire cost of an item; a partial sponsor pays an amount towards the item cost. *Note: Partial sponsors will receive a pro-rated discount on complimentary registrations.*

**Pledge Now - Pay Later!** You can commit now to be a sponsor, and wait until Symposium registration opens until you are invoiced. This gives you the opportunity to get involved early, but also allows for plenty of time to make payment arrangements. [Click here for sponsorship opportunities!](#)

## ***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. We first look to Missouri, where the incumbent Democrat, Sen. Claire McCaskill, takes on Republican Rep. Todd Akin. Meanwhile, in Wisconsin, Democratic Rep. Tammy Baldwin and former Republican Governor Tommy Thompson compete for the seat vacated by outgoing Democratic Sen. Herb Kohl.

### **Missouri**

#### **Sen. Claire McCaskill (D)**



Sen. Claire McCaskill is seeking a second term in the U.S. Senate.

McCaskill is a member of the Commerce, Science & Transportation Committee, where she sits on the Subcommittees on Communications, Technology & the Internet; Consumer Protection, Product Safety & Insurance; and Surface Transportation & Merchant Marine Infrastructure, Safety, & Security. She also serves on the Homeland Security & Governmental Affairs Committee as chairman of the Contracting Oversight Subcommittee. McCaskill has been the lead sponsor of several bills and amendments hostile to repair stations.

McCaskill earned her bachelor's and law degree from the University of Missouri. Prior to her election to the U.S. Senate, she served as Missouri's Auditor. Her career in public service also includes

serving in the Missouri House of Representatives, the Jackson County Legislature, and as the Jackson County prosecutor. She lives with her husband, Joseph, in Kirkwood. They have seven children and five grandchildren.

Claire McCaskill for US Senate

PO Box 300077

St. Louis, MO 63130-0338

<http://clairemccaskill.com/>

 @McCaskill2012

## **Rep. Todd Akin (R)**



Rep. Todd Akin is serving his sixth term representing Missouri's Second Congressional District.

Akin is a member of the Armed Services Committee, serving as chairman of the Seapower & Projection Forces Subcommittee. Akin also serves on the Budget Committee and the Science, Space & Technology Committee, where he sits on the Energy & Environment and Space & Aeronautics Subcommittees.

A graduate of the Worcester Polytechnic Institute and the Covenant Theological Seminary, Akin served in the Missouri House of Representatives and was a marketing executive before his 2000 election to the U.S. House. Akin lives with his wife, Lulli,

in Town & Country. They have three children and eight grandchildren.

Todd Akin for US Senate

PO Box 31222

St. Louis MO 63131-0222

<http://www.akin.org/>

 @ToddAkin

## **Wisconsin**

### **Rep. Tammy Baldwin (D)**



Rep. Tammy Baldwin is currently serving her seventh term representing Wisconsin's Second Congressional District.

Baldwin is a member of the Energy & Commerce Committee, sitting on the Health and Environment & the Economy Subcommittees. Prior to her election to the US House, she served in the Madison City Council, the Dane County Board of Supervisors, and the Wisconsin Assembly.

Baldwin earned her bachelor's degree from AB Smith College and a law degree from the University of Wisconsin. Baldwin resides in Madison.

Tammy Baldwin for Senate

PO Box 510622

Milwaukee, WI 53203-0111

<http://www.tammybaldwin.com/>

 @TammyBaldwinWI

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## Gov. Tommy Thompson (R)



Tommy Thompson is seeking to return to public service, having previously served four terms as Wisconsin's governor from 1987-2001.

Prior to his governorship, he served in the Wisconsin State Assembly from 1966-1987. In 2001, President George W. Bush appointed Thompson to lead the Health & Human Services Department. After leaving DHS, Thompson served on a number of corporate boards and made a brief run for president in 2008.

Thompson holds a bachelor's and law degree from the University of Wisconsin-Madison. He lives with his wife, Sue Ann, in Elroy. They have three children and eight

grandchildren.

Tommy Thompson for Senate  
PO Box 620650  
Middleton, WI 53562-0650  
<http://www.tommyforwisconsin.com/>

 @TommyForWI

For more information about these and other candidates, visit [www.ARSAAction.org](http://www.ARSAAction.org).

## International News

### Canadian Conservatives recommend red tape relief for aviation

On Oct. 1, Canada's ruling Conservative Party revealed its [Red Tape Reduction Plan](#) to help remove "irritants to business that stem from federal regulatory requirements."

Included among the plan are provisions important to the aviation industry. The report advises the continuation of Transport Canada's efforts to simplify the regulatory framework and better harmonize international standards through the [modernization](#) of its [Aviation Security Regulations](#). It also suggests that the government "reduce the administrative burden and more effectively account for the realities of smaller aviation maintenance operations and their capacity to meet regulatory requirements."

In accomplishing this task, the report recommends a thorough review of quality assurance requirements and the adoption of a performance-based approach that provides clear guidance.

#### Canadian Chamber: skilled worker shortage impacts competitiveness

Canada is not immune to the skilled worker challenge, according to a recently released [report](#) on Canadian competitiveness from the Canadian Chamber of Commerce at its Annual General Meeting.

The report, "Canada's Skills Crisis: What We Heard," draws attention to the skilled labor gap that will impact the nation's ability to build 21st century infrastructure, improve the tax system, and make regulations work if left unaddressed. According to the report, Canada will face a skilled labor shortfall of nearly 2.3 million by 2021.

**Members of the Association** may display the member web badge on their company web site.

Contact [arsa@arsa.org](mailto:arsa@arsa.org) for information.



## International Roundup

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

Breather for aircraft maintenance staff from long working hours (*The Times of India*)

Strong presence at Istanbul show highlights Turkish bizav growth (*AINonline*)

Flying Colours adds Saudi maintenance approval (*AINonline*)

Bill lets U.S. skirt European Union emissions rule (*Politico*)

Boeing to establish avionics maintenance, repair and overhaul center in Korea (*4-traders.com*)

Grupo Aeromexico and Delta Air Lines to build joint heavy maintenance facility in Queretaro (*MarketWatch*)

Dassault Falcon Aircraft Services – China launches in Shanghai (*Avionics Intelligence*)

Air India's MRO facility for Boeing 787,777 to be ready in 2013 (*Bernama.com*)

Jet Aviation set to expand maintenance services in Moscow (*AINonline*)

Cessna expands European support network (*Aviation Week*)

## Member Spotlight

### Thomas Electronics, Regents Park, New South Wales, Australia

Thomas Electronics is a diversified supplier of display technology and electronic systems solutions for aerospace, defense and commercial markets.

Thomas Electronics fifty-year history began as a manufacturer of black and white television tubes; in time, the company became one of Australia's major electronics enterprises, providing tubes to most of Australia's TV manufacturers. The company started creating display tubes for video monitors and terminals, specializing in displays for aerospace and defense.

Its products and services can be defined by these categories:

- **Aerospace:** Thomas designs, manufactures and supports cockpit display systems for commercial and military aircraft.
- **Defense Systems:** The company specializes in the development, manufacture, integration and support of electronic systems for defense and other specialized applications.
- **Simulation:** Thomas designs and manufactures display units for simulation applications.
- **Commercial:** Thomas provides support solutions to OEMs by offering and providing superior repair capability across a wide range of consumer and industrial electronic systems and components.

With more than a half-century of product innovation, Thomas' customers include global airlines, MROs, defense forces, prime contractors and electronics OEMs. It serves its customer base assisted by a network of sales representatives in each of its core markets.

For more information, visit <http://thomas.com.au/>

Are you an ARSA member who would like to be in the "Member Spotlight?" If so, please contact [Keith.Mendenhall@arsa.org](mailto:Keith.Mendenhall@arsa.org).

## What's In It for You

### ***This month: ARSA Compendia***

*By Jennifer Goodwin, ARSA membership & senior administrative coordinator*

Ever had a compliance problem that cost you hours of research time, only to later to remember reading about the article in *the hotline*. However, remembering the edition, or if you even have a copy, then poses its own problem. Well, have no fear! ARSA Compendia are here with your solution!

ARSA' compendia take all of ARSA's most popular columns and put them in a single place. These articles date back to 1994 and are available in bundles for easy access.

**Legal briefs** (1994-2011). Own over 17 years of compliance knowledge in this revised compilation, which incorporates articles published since the column's inception. This goldmine of compliance knowledge answers questions such as: *What steps must I take during voluntary disclosure? What should we do when we receive an un-marked part? What requirements must a repair station comply with prior to shipping hazardous materials?*

**Employment law** (2004-2011). These articles, written by guest author and employment law attorney Jonathan Yarbrough, address issues and give practical solutions for issues surrounding whistleblowers, employee lawsuits, unemployment claims, drug problem disclosures, and employee recordkeeping requirements. This compilation is an update to the previous release, which included articles published through 2007.

**Export compliance** (2005-2010). This compilation, written by guest author Jack Brodbeck, assists repair station personnel in understanding and complying with import and export regulations. Articles cover applicable law, available resources, a "best practices" kit, and much more. It's a must read personnel at companies that export inventory or expertise. This compilation revises the prior version that included articles through 2007.

**Intellectual property** (2007-2011). This compendium, written by guest author and IP attorney Al Givray, provides valuable information on intellectual assets, patents, copyrights and trademarks and practical solutions to problems surrounding customer licenses, trade secrets, and inventor knowledge.

[Click here](#) for the list and order form. Also, for those of you have bought them in the past, ARSA offers the update for a discounted rate. Contact the ARSA offices for more information.



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## Welcome New Members

[Delta Engineering](#), New Castle, DE

[F&E Aircraft Maintenance](#), Miami, FL

[Innodyne Systems](#), Bloomfield, CT

[Leading Edge Aviation](#), Bend, OR

[Mountain Aviation, Inc.](#), Broomfield, CO

[Murmer Aircraft Services](#), Arcola, TX



# ARSA Regulatory Compliance Training—Questions

**Part 1:** General Comprehension

**Level 1:** For anyone working in aviation

## § 65.93: Inspection authorization: Renewal.

(a) To be eligible for renewal of an inspection authorization for a 2-year period an applicant must present evidence during the month of March of each odd-numbered year, at an FAA Flight Standards District Office or an International Field Office, that the applicant still meets the requirements of §65.91(c) (1) through (4). In addition, during the time the applicant held the inspection authorization, the applicant must show completion of one of the activities in §65.93(a) (1) through (5) below by March 31 of the first year of the 2-year inspection authorization period, and completion of one of the five activities during the second year of the 2-year period:

- (1) Performed at least one annual inspection for each 90 days that the applicant held the current authority; or
- (2) Performed at least two major repairs or major alterations for each 90 days that the applicant held the current authority; or
- (3) Performed or supervised and approved at least one progressive inspection in accordance with standards prescribed by the Administrator; or
- (4) Attended and successfully completed a refresher course, acceptable to the Administrator, of not less than 8 hours of instruction; or
- (5) Passed an oral test by an FAA inspector to determine that the applicant's knowledge of applicable regulations and standards is current.

(b) The holder of an inspection authorization that has been in effect:

- (1) for less than 90 days before the expiration date need not comply with paragraphs (a)(1) through (5) of this section.
- (2) for less than 90 days before March 31 of an even-numbered year need not comply with paragraphs (a)(1) through (5) of this section for the first year of the 2-year inspection authorization period.

(c) An inspection authorization holder who does not complete one of the activities set forth in §65.93(a) (1) through (5) of this section by March 31 of the first year of the 2-year inspection authorization period may not exercise inspection authorization privileges after March 31 of the first year. The inspection authorization holder may resume exercising inspection authorization privileges after passing an oral test from an FAA inspector to determine that the applicant's knowledge of the applicable regulations and standards is current. An inspection authorization holder who passes this oral test is deemed to have completed the requirements of §65.93(a) (1) through (5) by March 31 of the first year.

**Question 1:** Under this rule, to be eligible for renewal of an inspection authorization for a 2-year period, an applicant must present evidence during March of each even-numbered year.

- A—True.
- B—False.

**Question 2:** Under this rule, an applicant must show that completion of one activity listed in this rule occurred before March 31 of the first year of the 2-year inspection authorization period.

- A—True.
- B—False.

<p><b><u>Question 3:</u></b> Under this rule, the activity completed during the second year of the 2-year inspection authorization period must be different than the activity completed during the first year.</p>	<p><b><u>Question 4:</u></b> Under this rule, an inspection authorization holder who does not complete one of the activities described by March 31 of the first may not exercise inspection authorization privileges after March 31 of the first year.</p>
<p>A—True.</p> <p>B—False.</p>	<p>A—True.</p> <p>B—False.</p>

Name \_\_\_\_\_ Date \_\_\_\_\_  
 Clearly Print the Name of the Person Taking the Test Date Test was Completed

Score \_\_\_\_\_ Hours \_\_\_\_\_  
 Enter as x (number correct) of y (number of questions) 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

## § 65.93: Inspection authorization: Renewal.

(a) To be eligible for renewal of an inspection authorization for a 2-year period an applicant must present evidence during the month of March of each odd-numbered year, at an FAA Flight Standards District Office or an International Field Office, that the applicant still meets the requirements of §65.91(c) (1) through (4). In addition, during the time the applicant held the inspection authorization, the applicant must show completion of one of the activities in §65.93(a) (1) through (5) below by March 31 of the first year of the 2-year inspection authorization period, and completion of one of the five activities during the second year of the 2-year period:

- (1) Performed at least one annual inspection for each 90 days that the applicant held the current authority; or
- (2) Performed at least two major repairs or major alterations for each 90 days that the applicant held the current authority; or
- (3) Performed or supervised and approved at least one progressive inspection in accordance with standards prescribed by the Administrator; or
- (4) Attended and successfully completed a refresher course, acceptable to the Administrator, of not less than 8 hours of instruction; or
- (5) Passed an oral test by an FAA inspector to determine that the applicant's knowledge of applicable regulations and standards is current.

(b) The holder of an inspection authorization that has been in effect:

- (1) for less than 90 days before the expiration date need not comply with paragraphs (a)(1) through (5) of this section.
- (2) for less than 90 days before March 31 of an even-numbered year need not comply with paragraphs (a)(1) through (5) of this section for the first year of the 2-year inspection authorization period.

(c) An inspection authorization holder who does not complete one of the activities set forth in §65.93(a) (1) through (5) of this section by March 31 of the first year of the 2-year inspection authorization period may not exercise inspection authorization privileges after March 31 of the first year. The inspection authorization holder may resume exercising inspection authorization privileges after passing an oral test from an FAA inspector to determine that the applicant's knowledge of the applicable regulations and standards is current. An inspection authorization holder who passes this oral test is deemed to have completed the requirements of §65.93(a) (1) through (5) by March 31 of the first year.

**Question 1:** Under this rule, to be eligible for renewal of an inspection authorization for a 2-year period, an applicant must present evidence during March of each even-numbered year.

A—True.

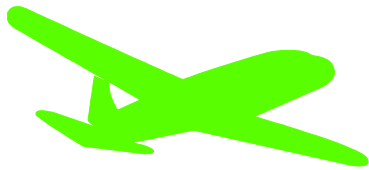
**B—False.** (Correct answer; to be eligible for renewal of an inspection authorization for a 2-year period an applicant must present evidence during the month of March of each odd-numbered year.)

**Question 2:** Under this rule, an applicant must show that completion of one activity listed in this rule occurred before March 31 of the first year of the 2-year inspection authorization period.

**A—True** (Correct answer; during the time the applicant held the inspection authorization, the applicant must show completion of one of the activities in §65.93(a) (1) through (5) below by March 31 of the first year of the 2-year inspection authorization period.)

B—False.

<p><b>Question 3:</b> Under this rule, the activity completed during the second year of the 2-year inspection authorization period must be different than the activity completed during the first year.</p>	<p><b>Question 4:</b> Under this rule, an inspection authorization holder who does not complete one of the activities described by March 31 of the first may not exercise inspection authorization privileges after March 31 of the first year.</p>
<p>A—True.</p> <p><b>B—False.</b> (Correct answer; the applicant must show completion of one of the activities in §65.93(a) (1) through (5) below by March 31 of the first year of the 2-year inspection authorization period, and completion of one of the five activities during the second year of the 2-year period.)</p>	<p><b>A—True.</b> (Correct answer; An inspection authorization holder who does not complete one of the activities set forth in §65.93(a) (1) through (5) of this section by March 31 of the first year of the 2-year inspection authorization period may not exercise inspection authorization privileges after March 31 of the first year.)</p> <p>B—False.</p>



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