Aeronautical Repair Station Association October 31, 2012 Alexandria, VA www.arsa.org

On November 6:

Don't

forget to

VOTE!

Sarah says

Turn it up

By Sarah MacLeod, ARSA executive director

The end of the election year approaches—are you tuning out or turning up your political and industry involvement?

The Association turned up its international presence by conducting its Strategic Leadership Conference and Annual Board of Directors meeting in Hamburg, Germany. The events coincided with Lufthansa Technics' (LHT) 50-year celebration of holding an FAA part 145 repair station certificate. The achievements of the world-renowned repair station placed a spotlight on local and international influence. LHT provides financial and practical support to Hamburg and local institutions of higher learning in exchange for continuous human capital and international reach. Those efforts are enhanced by Bilateral Aviation Safety Agreements and contracts that span the globe. Invitees were able to discuss local, national, and international issues with the U.S. Ambassador to Germany Philip D. Murphy; airline pilot, rock legend, and aviation entrepreneur Bruce Dickinson; and Lufthansa Technics' CEO August Wilhelm Henningsen.

The SLC's focus on effective media relations and responsiveness highlighted ARSA's efforts to educate and moderate general media coverage of aviation events. (see the Association's press release on the investigatory process here). The impact of the Positive Publicity Campaign cannot be understated or estimated; that effort is turned up to address the pending release of the DOT Office of Inspector General report on oversight of maintenance by the FAA. Turn up your participation by contributing to your industry's success.

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Sarah Says, continued

The Association is turning it up to address the pending notice of proposed rulemaking on part 145 by participating in a Small Business Administration-sponsored roundtable, which includes representatives from the DOT and FAA. ARSA anticipates submitting over one hundred pages of comments, explaining why an action or inaction is appropriate or inappropriate and offering alternative language or solutions to those proposed by the agency.

ARSA members are encouraged to participate in the elective process on all levels; it is important that all Americans exercise this important right, privilege, and responsibility. Even when choices seem to be between the devil and the deep-blue sea, one must buckle down and participate in the democratic process. ("It has been said that democracy is the worst form of government except all the others that have been tried." *Sir Winston Churchill (1947)*.

The Association's Annual Symposium is being turned up and turned on; survey participants have influenced the agenda; it will include workshops on major versus minor decision-making and obtaining instructions for continued airworthiness. Give your support of this important quality event; sponsorships are available and worth your while.

Tuning out is for a past generation, turn it up for the future.

Legal briefs

The EC-US agreement and US due process: Part 2

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

Last month, we noted the benefit derived from the Agreement Between the United States of America and the European Community on Cooperation in the Regulation of Civil Aviation (the Agreement). We also touched upon the main issue this series of legal briefs intends to investigate: the suspension of a U.S. repair station's European Aviation Safety Agency (EASA) Part-145 privileges based upon alleged Federal Aviation Administration (FAA) rule violations, reported to EASA by the FAA, before the U.S. repair station has been afforded an opportunity to defend itself as provided under U.S. law.

The following scenario illustrates the issue:

- 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 proceeds toward civil penalty or certificate action against the repair station based on the allegation;
- 4) The FAA sends a "non-recommendation" to EASA citing the alleged FAA rule violation when administering the continuation approval process for EASA;



the hotline is the monthly publication of the Aeronautical Repair Station Association (ARSA), the not-for-profit international trade association for certificated repair stations. For a membership application, please call 703 739 9543 or visit www.arsa.org.

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Legal Briefs, continued

- 5) EASA investigates and suspends the U.S. repair station's EASA Part-145 approval based on the FAA non-recommendation;
- 6) FAA privileges remain valid, but EASA privileges are suspended indefinitely while the FAA investigation runs its course.

This month's article delves deeper into the relevant language in the Agreement. In particular, the cooperation in enforcement activities described in Article 8, which states:

The Parties agree, subject to applicable laws and regulations, to provide through their Technical Agents or Aviation Authorities as appropriate mutual cooperation and assistance in any investigation or enforcement proceedings of any alleged or suspected violation of any laws or regulations under the scope of this Agreement. In addition, each Party shall notify the other promptly of any investigation when mutual interests are involved.

Our focus is on the fact that such cooperation is subject to laws and regulations that apply to an investigation or enforcement action for alleged or suspected violations. In light of the events described in our example, it appears that a repair station's opportunity to defend itself against allegations of FAA rule violations – as provided under U.S. law – would apply to <u>any FAA actions</u> executed under Article 8. That is, an alleged FAA rule violation by a U.S. repair station and subsequent FAA investigation or action, must be accompanied by the due process provided under U.S. law. Therefore, the prompt notification described in Article 8 is subject to the due process requirements under applicable U.S. law.

Essentially, our point is that the FAA should not (and indeed, may not) do through EASA what the U.S. agency cannot do under its own authority. If immediate suspension of a repair station's privileges are called for, then the FAA must abide by its own procedures for doing so, which satisfy U.S. legal requirements. It should not submit a non-recommendation to EASA based on allegations of FAA rule violations that have not been decided through the agency's own legal process.

However, the same rationale would not apply to situations where the FAA alleged that a U.S. repair station was in violation of an EASA special condition. In that case, the issue is based squarely in the EASA regulations which form the basis for the special condition. The FAA, in its capacity as the agent for EASA in the U.S., is assisting EASA in enforcing its own regulations, which does not invoke the same protections under U.S. law and therefore has no impact on the provisions of Article 8.

As provided in the maintenance annex to the Agreement (Annex 2), the notification of investigation or enforcement action is "[c]onsistent with the provision of Article 8 of the Agreement."

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Regulatory lookout

Huerta: FAA must improve GA certification

Acting FAA Administrator Michael Huerta called for improved certification and greater international cooperation for general aviation aircraft in an Oct. 11 speech to the Wichita Aero Club.

"The FAA acknowledges that we need to find ways to enhance safety, to decrease the costs associated with certification and bring more products to the market," Huerta said. "Our goal is to improve general aviation safety and cut certification costs in half."

Greater international cooperation is key to meeting this goal. If nations agree on certification procedures and consensus standards, it will save time and money by allowing industry to adopt new technologies more quickly, Huerta said.

To meet this challenge, the agency is working with the GA industry through an aviation rulemaking committee to examine 14 CFR part 23 regulations pertaining to airworthiness standards for small airplanes - last updated in the 1980s. Huerta promised the committee would adopt a proactive and flexible approach, while retaining lessons learned in the past. Although the FAA is only examining part 23 aircraft, he said the agency will evaluate the lessons learned so they may be used in the certification of larger aircraft.

Huerta's remarks also detailed some of the agency's other GA efforts, including making it easier for GA to use non-required safety equipment and transitioning to lead-free aviation gas. To view Huerta's remarks, click here.

Changes to NTSB procedural rules

On Oct. 16, the National Transportation Safety Board NTSB issued several changes to its procedural rules. The amendments follow an earlier notice of proposed rulemaking and recent passage of the Pilot's Bill of Rights. The new rules "allow appeals to a federal district court, apply federal rules of evidence and civil procedure to NTSB proceedings, and allow parties to move to dismiss a complaint if the FAA fails to disclose its enforcement investigative report."

ARSA's comments to the NPRM, which suggested changes to the standard of review concerning the emergency status of cases and to the language in the stale complaint rule, were not adopted in the final rule.



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Final documents/Your two cents

"Final documents": This list includes Federal Register 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 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://arsa.org/final-documents-your-two-cents/.

A member asked

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

Q: I have a question regarding approved data for major repairs. We are performing work according to the manufacturer's maintenance manual, but it only contains data "acceptable to," not "approved by" the FAA that is required for accomplishing major repairs, correct? In other words, we are wondering whether the manufacturer's maintenance manual has to be approved by the FAA in order to use it for accomplishing major repairs.

A: No. The FAA addressed this issue several years ago in its response to a consistency and standardization initiative request. Major repairs can be accomplished using a manufacturer's maintenance manual that was developed from previously approved *technical* data; there is no need for separate FAA approval of the maintenance manual, which contain the methods, techniques and practices acceptable for performing the work. Specifically, the FAA response provided the following exchange:

When an authorized person performs a major repair or major alteration in accordance with a manufacturer's maintenance manual or other manufacturer's "service information," does this comply with the requirement that the work be accomplished in accordance with approved technical data?

Yes, provided the manual or other manufacturer's service information is developed using FAA-approved technical data.... In the absence of a special circumstance such as an airworthiness directive (AD) or airworthiness limitation, there is no requirement in 14 CFR that a maintenance manual be FAA-approved. When performing a major repair or major alteration, only the technical data [supporting the instructions] must be approved. Such data are initially approved upon issuance of a design approval for a product or article. Subsequently developed technical data are also FAA-approved when design changes are made in accordance with part 21. Following the methods, techniques, and practices contained in a manufacturer's maintenance manual or service information prepared using part 21-approved data would, therefore, comply with sections 43.13(a), 65.95(a)(1), 121.379(b), 135.437(b), and 145.201(c).

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

Settlement options for OSHA whistleblower complaints

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 representing employers in employment law issues; his pragmatic approach helps keep relationships with employees from becoming difficult. Please contact him for questions regarding employment relationships.

On Oct. 1, the Occupational Safety and Health Administration issued a new directive establishing two oneyear Alternative Dispute Resolution (ADR) programs for its whistleblower complaint activities, including Air-21 complaints.

The two regions selected for the program are Region V (Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin) and Region IX (American Samoa, Arizona, California, Guam, Hawaii, and Nevada). Each region may conduct up to 15 mediation sessions during the year, and may continue to offer unlimited early resolution.

OSHA has chosen the Federal Mediation and Conciliation Service to serve as its neutral third party mediator. OSHA's Whistleblower Protection Program will provide funding for the program, which will pay for the FMCS mediation session, reasonable travel, and per diem costs for the mediator.

Employers and whistleblowers still have the right to settle cases on their own. The new program, however, would establish a framework that will enable OSHA officials to work with the parties to reach a settlement more quickly, or, in some cases, to seek settlement through mediation.

The process begins when OSHA receives a whistleblower complaint. At that time the agency will send letters to the complainant and the employer informing them about the program. The regional program coordinator may contact the parties within five to seven business days of sending the letter to discuss the benefits of using ADR. Each party has 10 business days from the date they receive the opening letter to contact the regional coordinator to indicate their willingness to attempt an early resolution, within five to seven days.

The program involves two options.

Early resolution (case evaluation and settlement)

Once the parties agree to pursue a settlement, the regional program coordinator will work with them to determine if there is common ground for a settlement. Using this information, the coordinator will prepare a proposed settlement agreement and assist in reaching a resolution. The parties must reach an agreement within 20 days of receiving the opening letter. If no agreement is reached, the employer may offer its statement of position and OSHA will continue with its investigation. The parties may then consider mediation.

Mediation

While the Early Resolution option targets complaints before the investigation stage, the parties can agree to mediation after the formal investigation has begun. The regional coordinator must determine that the dispute is suitable for mediation. Factors include whether the request is made in good faith, the availability of a mediator, OSHA's resources, and whether the parties are represented by an attorney. If only one party is represented, the coordinator and the mediator will ensure that the non-represented party is not disadvantaged.

Once the parties and OSHA agree that mediation is appropriate, the coordinator will set a time for the session. The session should be held no later that 60 business days after OSHA and the parties determine that mediation would help resolve the case. The session will last for one day; though the coordinator may approve a continuance if the mediator indicates a settlement is near. If the parties settle, OSHA will review the agreement with the option of rejecting it. If a settlement is not reached, the parties will have an additional five days to reach an agreement before the mediator can declare an impasse.

If no settlement is reached in the case, OSHA will proceed with the investigation. Information disclosed during the mediation cannot be used in any subsequent investigation.

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!

The next generation of aircraft technicians

Bridging the experience gap for new A&P's

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 tenth 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 months, this series has highlighted ways for companies and individuals to work with AMT schools. Recruiting, curriculum input, mentoring, and working with the school advisory board are avenues for involvement. This article will discuss bridging the experience gap for the newly certificated AMT.

In many cases, technician positions require experience; indeed, lack of experience makes it difficult to be considered for a position. Unfortunately, it is challenging to gain experience without a position. Professional pilot training bridge programs can apply to the hiring of new AMTs. Based on the quality of education and training, the air carrier will hire new pilot graduates with less than the required flight hours. Typically, the experience requirement reduction is directly correlated to the degree the training program prepares graduates to meet the knowledge, skills, and aptitudes sought. Air carriers have been willing to enter these programs with many schools across the United States.

How might this concept work for an AMTS? The program between AAR Corp and Spartan College of Aeronautics and Technology in Tulsa, Oklahoma is an example. AAR made a commitment to hire a percentage of each graduating class into an on-the-job training (OJT) apprenticeship program. The OJT program is designed to build technical skills in a systematic fashion. Essentially, AAR and Spartan have created a bridge program for AMTS graduates. Unfortunately, these are not standard practice across the industry.

Let's consider the following scenario. Part 145 repair stations would be willing to employ a number of new AMTS graduates with mechanic certificates in a special apprentice program. The number of apprentices could be based on the size of the company or its location. Suppose the program lasted 6 – 12 months and included a systematic progression of tasks to build skills that increase in difficulty. At the end of the program, the apprentice would qualify to sit for an examination from the National Center for Aerospace and Transportation Technologies (NCATT) for a nationally recognized credential. NCATT would set the standard for the apprentice program, which must contain certain elements NCATT already does this for schools that wish students to become eligible for the Avionics Electronics Certification. Companies could waive the experience requirements for graduates with NCATT endorsements.

There are many positive aspects to this program: Participating companies have an opportunity to train and mold new technicians. Industry can ensure apprentices receive training in areas that schools are unable to provide. As the apprenticeship provider, the company would likely be the employer of choice for permanent hire by the graduate, and the company has an opportunity to thoroughly evaluate new talent. Businesses seeking new AMTs know that those who have the NCATT certification successfully completed specific training and obtained desired experience. Over time, training costs reduce due to greater employee retention.

For schools, the program would increase enrollment and be a wonderful recruiting tool. The first question we often receive from potential students is, "will I get a job?". Having a structured entry process into the industry will generate increased interest in attending an AMTS.

A program as described would require time, effort, and cost on the part of companies and schools. Schools and industry would need to develop a consensus on what the NCATT certification criteria should include. Schools would likely have to add new content to their programs to meet the NCATT criteria for their graduates

to be eligible for the apprenticeship program. However, as we look at the future labor projections, and the increased cost of training and retaining employees and students, I believe a program along the lines proposed would ultimately reduce costs and add benefit to our industry.

AMTSs seek the best and brightest to become the next generation of aviation technicians. A structured path that rewards the hard working student will be of great benefit to attract them into a career in aviation maintenance.

For more information on the AAR – Spartan program, contact Mr. Ryan Goertzen at rgoertzen@spartan.edu or visit www.spartan.edu.



Legal waypoints

Business teaming – turning trust into credibility

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.

The business world is a landscape of increasing competition and complexity. Few organizations can gather and maintain all desired resources as they pursue and execute work. This challenging reality can be overcome by taking advantage of strong teaming relationships. Solid business teaming arrangements can be a solution to meeting financial and management goals.

What is business teaming?

For our purposes business teaming can be defined as the joining together of two or more separate business entities, via a written contractual arrangement, for the purpose of pursuing common business objectives.

Consider the following criteria to determine whether business teaming is right for you:

Evaluating a teaming possibility

- Will a teaming arrangement substantially improve the chances of success?
- Is a team member necessary to acquire expertise or resources?
- Does a potential team member already have a working relationship with a customer?
- Did the potential customer suggest a teaming arrangement?
- Will working with a team member on one project yield experience that can be applied to future opportunities?

If you answered "yes" to any of these questions, then business teaming may be a good tool to help you achieve your objectives.

Evaluating opportunities for a business teaming arrangement is only half the challenge - locating a good team member is just as important:

Assessing and selecting a specific team member

- Does the team member have necessary or desirable experience?
- Does the team member have a strong reputation?
- Does the team member have prior experience with potential customers?
- Does the team member have complementary strengths and weaknesses?
- Does the team member have complementary industry experience?
- Can the team member provide key personnel?
- Is the team member in good financial condition?
- Is the team member's corporate culture and chemistry compatible?
- Have the parties had a prior positive relationship or interaction?

If you answered "yes" to more than a couple of these questions, then you should consider moving past a handshake to a formal written agreement to fully realize the benefits of the relationship.

As part of your final selection process carefully and completely assess: potential conflicts of interest; historical or active disputes or litigation; and whether you are direct competitors.

Get it in writing

Once you have decided to move ahead it is important to go beyond a handshake and enter into a written business-to-business relationship. The writing should capture the team's marketing strategy and reflects its goals and objectives in an easy to read document. More than just a non-disclosure agreement, a well crafted teaming arrangement will facilitate the process and enhance the business relationship. It will also create a foundation for announcing the relationship in a press release, on a website, or in a project specific proposal for a potential customer.

Your written agreement should:

- Identify the parties' mutual goals and objectives,
- Define the structure of the relationship; and
- Determine the resources needed to accomplish your plans and manage the relationship.

It is a lot easier to meet your goals and objectives when you have a written plan for making decisions and moving forward. By having a written agreement you can turn the trust of your handshake into credibility.

ARSA action

ARSA wraps up a successful SLC

ARSA's 2012 Strategic Leadership Conference, the Association's annual invitation-only gathering of aerospace executives, featured discussions about the future of the industry and the Association's role in improving the business, legal, and regulatory climate for aviation maintenance.

This year's conference was held in Hamburg, Germany to join celebrations surrounding the 50th anniversary of Lufthansa Technik's FAA certificate. It was ARSA's first time hosting an international event.

The keynote speech was delivered by Bruce Dickinson, who in addition to his role as lead vocalist of Iron Maiden, is a commercial pilot and aviation entrepreneur – recently launching an MRO operation in Wales. Joining Dickinson in addressing attendees were the U.S. Ambassador to Germany Philip D. Murphy, Lufthansa Technik CEO Wilhelm Henningsgen, and Acting FAA Administrator Michael Huerta, who delivered a video message.

Key highlights include:

- ARSA's Positive Publicity Campaign is shaping public opinion. Industry leaders gave ARSA kudos for its
 efforts to guide general media reporting with strong consensus that ARSA can and should be another
 important voice on maintenance-related stories.
- Industry and regulators are growing impatient with TSA's foot-dragging on the repair station security rules.
 ARSA discussed the likely political landscape in 2013 and outlined plans for a legislative push to lift the ban on new foreign repair station certificates in light of the growing risk that civil aviation authorities will retaliate against U.S. companies.
- International aviation cooperation is a key component to safety. "International partnerships, private and public, are the key to sustaining these [safety] gains," Huerta told attendees in a video message. Henningsen, added, "With open cooperation, all parties involved have made sustainable contributions to safety and reliability, cost-effective aviation, and the preservation of the environment."
- During his keynote, Dickinson described plans for his new company, Cardiff Aviation, which will offer heavy
 maintenance and other services from a decommissioned RAF base. Dickinson joined industry colleagues
 in pushing the envelope to achieve better safety and reliability. Simply complying with regulations isn't
 enough. "When you put complacency next to compliance, you have a recipe for disaster," he said.
- Lufthansa Technik Vice President of Quality Hanno Loss was recognized for his two years as ARSA's
 president. Loss enhanced the Association's international visibility and drove efforts to grow ARSA's public
 relations capabilities.
- In conjunction with the SLC, ARSA's Board elected 2013 officers. Gary Fortner, vice president of quality
 control at Fortner Engineering, was elected ARSA's president; Gary Jordan, president and CEO of Jordan
 Propeller Service, was elected vice president; and Jim Perdue, vice president and manager of sales at
 SONICO, Inc., was elected treasurer.

FAA clarifies use of MMI

On Oct. 15, ARSA received a response from the FAA to the Association's request for clarification regarding the use of maintenance instructions modified according to EASA part 145.A.45(d). The agency concurred with ARSA's interpretation, agreeing that modified maintenance instructions are acceptable to the FAA under the Agreement between the United States of America and the European Community on Cooperation in the Regulation of Civil Aviation Safety.

Specifically, the agency stated that, "The FAA considers the EASA approved MMI's to satisfy and be equivalent to the requirements of 14 CFR part 43.13(a). The EASA approved MMI's can also be used by an EU-based repair station just as the requirements of 14 CFR part 43.13(a) apply to U.S.-based repair stations."

ARSA EASA manual supplement now available

The newest addition to ARSA's model Repair Station Quality Manual, a prototypical EASA supplement based upon the Maintenance Annex Guidance to the U.S.-European Community Aviation Safety Agreement, is now available.

The supplement is designed for U.S. repair stations holding or working to obtain EASA Part-145 approval; all required forms and instructions are provided. The publication integrates with ARSA's model Repair Station Quality Manual.

ARSA members may purchase the manual for only \$300.

It is very important to remember that <u>all current EASA approval holders must have a new supplement,</u> <u>developed under the MAG, in place by Dec. 31, 2012</u>, even if renewal is not due before the end of this year.

Click here to order your copy. For more information on ARSA's repair station publications, click here.

ARSA files comments to FAA AC 145-11

On Oct. 12, ARSA filed comments regarding draft AC 145-11, which provides guidance on how U.S.-based repair stations may obtain, renew, or amend EASA approval as outlined in the Maintenance Annex Guidance to the U.S.-European Community Aviation Safety Agreement.

ARSA made two recommendations to improve the AC. First, that the AC provide a more detailed description of the relationship between the MAG and the international agreement on which it is based. Second, that the AC refer users directly to the MAG for specific instructions to avoid potential confusion resulting from future MAG revisions.

ARSA included a red-line version of the draft AC with its comments to illustrate the suggested changes. To view the comments and ARSA's proposed changes, click here.



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Positive publicity corner

Vote for positive publicity

By Jason Langford, ARSA director of communications

In election years, there are constant reminders about the importance of exercising our constitutional right to vote. Electing lawmakers that support ARSA's policy priorities is significant to ensuring Congress doesn't micromanage our industry.

Engaging the media and responding to negative news stories plays an equally important role in defending the industry. You can vote to strengthen the industry's media relations by supporting ARSA's Positive Publicity Campaign.

By contributing to the PPC, you are sponsoring a concentrated outreach program to improve the business, legal, and regulatory climate for the maintenance industry by leveraging the power of public opinion to motivate policymakers.

The campaign, despite its limited budget, has successfully changed the tone in Washington and reoriented the debate surrounding contract maintenance. The PPC-generated industry economic data played a major role in swaying lawmakers' opinion during this year's FAA reauthorization battle. With additional support, the campaign can accomplish even more.

Over the next year, ARSA will update this economic data and hopes to acquire the resources to expand the scope of our research. As the Association works to enhance its PR capabilities, you can support its efforts by electing to include PPC support in your 2013 budget.

Click here to pledge your support, or contact ARSA Communications Director Jason Langford.

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.

Regional airline opening maintenance station at CVG (Business Courier)

Oregon Aero kicks off expansion of new facility (Helicopter Association International)

Honda Aircraft to open company MRO (AINOnline)

Hernando County Airport lands Pem-Air aircraft repair operation (Tampa Bay Times)

Sabreliner opens new paint shop (AINOnline)

Comlux America celebrates Indianapolis expansion (AINOnline)

Free BBCC class teaches aircraft maintenance (AviationPros)

Gulfstream Brunswick to add jobs (Director of Maintenance Magazine)

Hangar will be airline's first at Washington Dulles (Air Transport News)

Piedmont Propulsion doubles space at Smith Reynolds Airport (AviationPros)

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ARSA on the Hill

By Daniel Fisher, ARSA vice president of legislative affairs

In October, ARSA's legislative team continued to push lawmakers on the Transportation Security Administration repair station security rules.

The Association was also represented at meetings urging Congress to extend 100 percent depreciation bonus through at least 2013.

Legislative team members participated in a panel discussion at the Strategic Leadership Conference with ARSA President Gary Fortner and Government Affairs Committee Chairman David Albert about the 2012 elections, the Association's legislative priorities, and the need for active political engagement.

The legislative team completed a comprehensive analysis of the lawmaker's voting records during the 112th Congress to aid aviation maintenance professionals in making educated decisions when going to the polls on Nov 6.

The Government Affairs Committee members were urged to vote in the coming election.

Bills on the Hill

What to watch on Nov. 6

With only days before the election, the nation's political dynamics remain competitive. While polls in many key races vary, there are a few major outcomes to anticipate.

The presidency

The race between President Barack Obama and Governor Mitt Romney remains close. As *the hotline* went to press, the president's chance of winning a second term remains greater than 74.6 percent according to *New York Times* political statistics blog FiveThirtyEight, despite only leading popular vote 50.4 percent to Romney's 48.7 percent.

According to projections, 271 Electoral College votes lean toward or are safe for Obama, one more than the 270 required to win the presidency. Colorado, Florida, Iowa, New Hampshire, and Virginia remain too close to call. To pull off the upset, Romney must win each of those states.

The Senate

It appears that Democrats will retain the upper chamber; possibly expanding their hold from 51 seats to 52.

Nonetheless, several states remain so close that anything could happen. As results roll in, be sure to watch the outcomes in Indiana, Massachusetts, Missouri, Montana, North Dakota, Virginia, and Wisconsin. Democrats may lose Montana, Nebraska, and North Dakota, while picking-up Indiana, Maine (Angus King, an Independent, is expected to win and caucus with the Democrats), and Massachusetts. If Republicans keep Massachusetts and capture Virginia, however, it could signal a positive national trend for the GOP.

The House

Less is known about the balance of power in the House. There are upwards of fifty toss-up races, several of which may flip party control. Redistricting and increasing voter alienation toward the Tea Party could see a backlash against several of the most right-leaning lawmakers, such as Reps. Roscoe Bartlett (R-Md.), Chip Cravaack (R-Minn.), and Joe Walsh (R-III.).

Though Democrats will likely not recapture the lower chamber, many in Washington anticipate the party will slice their present deficit from 49 to as little as 32 in the 113th Congress. According to pundit extraordinaire

October 31, 2012

Charlie Cook, while the Democrats will likely lose eight seats to the GOP's seven; only eight Democratic seats are toss-ups compared to 18 for the GOP.

Vote!

With such close races, it is vital that the maintenance industry turn out to support candidates committed to ensuring the safe and efficient operation of our civil aviation system.

Remember that the elections are about more than just who will be the next chief executive. Your representative and senator will be voting on future FAA reauthorization legislation and guiding the looming debate over a comprehensive tax policy overhaul. To view the voting record of your lawmakers on the issues most important to the aviation maintenance industry in the 112th Congress, be sure to visit ARSAaction.org.

Additionally, local officials and initiatives at the bottom of the ballot also play an enormous role in laying the landscape for construction projects. ARSA highly encourages everyone to exercise their constitutional right to visit the polls on Election Day.

Depreciation bonus: Going, going, gone?

Only two months remain to take advantage of the 50 percent depreciation bonus. Without congressional action, this tax incentive will disappear in 2013.

ARSA has been working with a coalition of businesses and groups lobbying lawmakers to reinstate 100 percent bonus depreciation and higher sec. 179 expensing for 2012 and to extend the incentives through 2013. Unfortunately, with the uncertainty of the coming elections, nobody is certain about the measures' fate.

To weigh-in with your lawmakers about the need to keep these important capital investment incentives, visit ARSAaction.org.



Get ready for a wild lame duck

When lawmakers adjourned until after the election, they left a host of issues unresolved, setting up what could be one of the most controversial and consequential lame duck sessions in memory.

The most serious matter is the rapidly approaching "fiscal cliff," the possibility of economic disaster brought on as the result of expiring tax cuts and the budget sequestration process set to ring in the new year. The Congressional Budget Office has warned that without action, the nation will face rising unemployment and the possibility of another recession.

Lawmakers abandoned dozens of legislative items to reform the regulatory process, boost infrastructure investments, and address important tax reforms. While both chambers approved a continuing resolution to fund the government for six more months, they failed to cobble together a comprehensive budget for fiscal year 2013.

With so many items remaining, the lame duck session will be critical. Lawmakers will have limited time to resolve the economic uncertainty facing the nation and address a host of urgently needed reforms.

To encourage your lawmakers to act on the maintenance industry's legislative priorities, be sure to visit www.ARSAaction.org.

- ADVERTISEMENT-



Click for details

ARSA PAC achieves strategic status

To build a more sophisticated political program, ARSA PAC has set out, and succeeded, to achieve "Multicandidate Status." The Federal Election Commission grants this title to political action committees (PACs) in existence for more than six months that have contributed to five or more candidates, and have received more than 50 contributions—a milestone that now allows ARSA PAC to contribute up to \$5,000 to political campaigns, rather than \$2,500.

"ARSA PAC is the apex of the Association's political program. We've doubled down on our efforts in 2012 to bring greater visibility of the industry in Washington," said ARSA Executive Vice President Christian Klein. "As a Multicandidate PAC, we'll now be able to play a larger role in the campaigns of candidates who share the contract maintenance industry's values."

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.

Grant 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.

For many ARSA member companies, solicitation consent will expire at the end of 2012. If you provided solicitation consent only through 2012, or even if you are unsure when your consent expires, renew your ARSA PAC solicitation consent through 2015 today.

Click here to grant solicitation consent for 2013, 2014, and 2015.

October 31, 2012

2012 ARSA PAC Contributors

Capitol Hill Club (\$1,000)

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Washington Team (\$500)

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Gary Fortner, Fortner Engineering Christian A. Klein, ARSA

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David Albert, Sequa Corporation/Chromalloy Jan Hangland, Perform Air International

Matthew Bickel, EB Airfoils John Hunter, HEICO

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Tom Grossman, Perform Air International Jeff Stimson, Perform Air International

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Friends

Jason Langford, ARSA Josh Pudnos, ARSA

Advertise in the hotline

With rates as low as \$150.00 (display ads) and \$50.00 (text-only), advertising in *the hotline* is a great way to reach thousands of people in the aviation industry, including certificated repair stations, manufacturers, air carriers, and suppliers!

http://arsa.org/advertise/

Have you seen these candidates?

Throughout the election season, *the hotline* is introducing readers to the candidates running in some of the country's most critical campaigns. In the final look before the Nov. 6 election, we examine the race at the top of the ticket, where former Republican Gov. Mitt Romney challenges incumbent Democrat President Barack Obama for control of the White House.

Pres. Barack Obama (D)



Barack Obama is seeking a second term as the 44th president of the United States.

Prior to being elected to his first term, Obama represented Illinois in the U.S. Senate from 2005-2009. Before holding federal office, he served in the Illinois State Senate from 1997-2005. Obama also taught constitutional law for 12 years at the University of Chicago.

Obama earned a bachelor's degree from Columbia University and a law degree from Harvard. He lives with his wife Michelle. They have two daughters.

Barack Obama's Campaign Headquarters:

Obama for America PO Box 803638 Chicago, IL 60680-3638 http://www.barackobama.com/



Gov. Mitt Romney (R)



Mitt Romney is seeking a return to public office, last serving as governor of Massachusetts from 2003-2007. He ran unsuccessfully for the Republican presidential nomination in 2008.

Prior to serving as the Bay State's top executive, Romney was president and CEO for the Salt Lake Organizing Committee for the 2002 Winter Olympics. In 1984, Romney founded Bain Capital, a private equity firm. Romney's first official foray into politics was his unsuccessful challenge of Massachusetts Sen. Ted Kennedy (D) in 1994.

Romney earned a bachelor's degree from Brigham Young University, as well as law and business degrees from Harvard. He lives with his wife Ann. They have five sons and 18 grandchildren.

Mitt Romney's Campaign Headquarters:

Romney for President PO Box 149756 Boston, MA 02114-9756 http://www.mittromney.com/

■@MittRomney

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

Members of the Association may display the Member Web Badge on their company Web site. Contact arsa.org for information.



International news

Aviation authorities explore expanded regulatory systems

Political bodies around the world are considering whether to replace their aviation agencies with stronger bodies modeled on the FAA.

The European Aviation Safety Agency (EASA) and the Indian Directorate General of Civil Aviation (DGCA) are both under review as policy makers seek to strengthen and broaden their mandate over civil aviation.

The European initiative, Single European Sky II+, would simplify and improve the usability of regulations, strengthen the aviation institutional framework, and speed the decision-making process.

Meanwhile, Indian policymakers hope replacing the DGCA with a modernized aviation authority will address concerns with safety, economic regulation, grievance resolution, environmental matters, and alleged corruption. The new authority would have greater administrative and financial powers, redefining the role of the country's aviation body.

European and Indian authorities are expected to consider such changes in more detail this winter.

International Roundup

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

Strong presence at Istanbul show highlights Turkish bizav growth (AINOnline)

Asia to be source of most R-R Trent 700 overhaul needs (Aviation Week)

Netherlands aviation strategy cultivates new MRO specialties (Aviation Week)

Batam airport to become hub for maintenance and repair (The Jakarta Post)

GMF to construct new hangar in December (The Jakarta Post)

Bombardier boosts business aircraft support network in India with addition of second authorized service facility (4-Traders)

Saudia needs 8,000 maintenance workers (AviationPros)

Qantas spends \$30m on Brisbane Airport maintenance facility upgrade (Herald Sun)

Taiwan's EGAT to open fourth hangar on burgeoning airline growth (Aviation Week)

'Absolutely necessary we bring aviation into our ETS system' (Live Mint)

Member spotlight

Sunshine Aero Industries Flight Test, Crestview, FL

Established in 1980, Sunshine Aero Industries (SAI) Flight Test provides customers with flight test and flight test support. The company is devoted to providing highly capable expertise to the development of advanced aircraft and aircraft systems, and test aircraft that fit the customers' needs.

SAI's experience includes advanced avionics, fire control systems, integrated weapons systems, electronic combat systems, reconnaissance systems, special mission payloads, data links, radomes, and external system pods. Its personnel are experts at obtaining civilian and military certifications.

Flexibility and speed are SAI's trademarks; it consistently validates its reputation by showing flexibility in rapidly meeting customer demands.

For more information, visit http://www.sunshineaero.com/

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



Insurance for Repair Stations click here for information

What's in it for you?

This month: An ARSA preferred provider - Component Control

By Jennifer Goodwin, ARSA membership & senior administrative coordinator

Wouldn't it be nice if everything in your life worked like Component Control software solutions? Your world would be inventoried and organized; you would never lose your keys again, your purchases would be monitored, invoices automatically saved, and you would never go over budget. You could schedule your life with ease, generating appointments, reminders, and grocery lists automatically.

Life at work can be that easy. Component Control is the leading developer and provider of MRO and logistics software for the aviation industry. Quantum Control is their fully integrated business software solution designed to run on one database with functionality that covers the gamut, from stock management to accounting and ecommerce. With personalized configuration settings, Quantum Control's easy to use software will reduce your stress and improve your bottom line. StockMarket.aero, Component Control's comprehensive search engine, is the world's largest, free, open marketplace for aircraft spares, loaded with real-time inventory listings for improved productivity and efficiency. In recognition of this sustained focus, Component Control was named 'Best IT Software Provider' in the Airline Technology Engineering and Maintenance Awards 2012.

The best part? As an ARSA member, you get a 10 percent discount on all of their products.

For more information, click here or contact Component Control Customer Service Executive Vice President Jocelyn Scott.

Welcome new members

Advance Aero Inc., Mooresville, Ind.

Airline Accessory Service Co., LLC, Hamden, Conn.

G.W. Lisk Co., Inc., Clifton Springs, N.Y.

Global Airservices, Miami, Fla.

Global Parts Aero Services, Augusta, Kan.

GQ Aviation Engineering Service, City of Industry, Calif.

Ni-Cad Systems, Inc., Hayward, Calif.

Perform Air International, Inc., Gilbert, Ariz.

Preferred Composite Services, Inc., Miami, Fla.

Tech-Aire Instruments, Inc., Wichita, Kan.

Tennessee Aircraft Company, Inc., Mt. Juliet, Tenn.

Wilmington Avionics, Inc., Odessa, Del.

Worldwide Aircraft Services, Inc., Springfield, Mo.

ARSA regulatory compliance training—Questions

Part 1: General comprehension Level 1: For anyone working in aviation

§ 65.95: Inspection authorization: Privileges and limitations.

- (a) The holder of an inspection authorization may—
 - (1) Inspect and approve for return to service any aircraft or related part or appliance (except any aircraft maintained in accordance with a continuous airworthiness program under part 121 of this chapter) after a major repair or major alteration to it in accordance with part 43 [New] of this chapter, if the work was done in accordance with technical data approved by the Administrator; and
 - (2) Perform an annual, or perform or supervise a progressive inspection according to §§43.13 and 43.15 of this chapter.
- (b) When he exercises the privileges of an inspection authorization the holder shall keep it available for inspection by the aircraft owner, the mechanic submitting the aircraft, repair, or alteration for approval (if any), and shall present it upon the request of the Administrator or an authorized representative of the National Transportation Safety Board, or of any Federal, State, or local law enforcement officer.
- (c) If the holder of an inspection authorization changes his fixed base of operation, he may not exercise the privileges of the authorization until he has notified the FAA Flight Standards District Office or International Field Office for the area in which the new base is located, in writing, of the change.

authorization r return to servi accordance w	ne nolder of an inspection may not inspect and approve for ce any aircraft maintained in ith a continuous airworthiness r part 121 of this chapter.	his fixed base of operation, he o	nspection authorization changes can exercise his privileges of the ne FAA Flight Standards District ce.
A—True.		A—True.	
B—False.		B—False.	
Question 3: The holder of an inspection authorization may perform an annual, or perform or supervise a progressive inspection according to §§ 43.13 and 43.15 of this chapter.		<u>Question 4</u> : The holder of an inspection authorization must keep the inspection authorization available for inspection when he exercises its privileges.	
A—True.		A—True.	
B—False.		B—False.	
Name	Clearly Print the Name of the Person Taking th	Date	Date Test was Completed
Score Enter as x (number correct) of y (number of que		Hours	Time Credited for Test
Approved by			

October 31, 2012 20

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

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- (c) If the holder of an inspection authorization changes his fixed base of operation, he may not exercise the privileges of the authorization until he has notified the FAA Flight Standards District Office or International Field Office for the area in which the new base is located, in writing, of the change.

Question 1: The holder of an inspection authorization may not inspect and approve for return to service any aircraft maintained in accordance with a continuous airworthiness program under part 121 of this chapter.	Question 2: If the holder of an inspection authorization changes his fixed base of operation, he can exercise his privileges of the authorization without notifying the FAA Flight Standards District Office or International Field Office.		
A—True. (Correct answer; the holder of an inspection authorization may not inspect and approve for return to service any aircraft maintained in accordance with a continuous airworthiness program under part 121 of this chapter.)	A—True.		
B—False.	B—False. (Correct answer; the holder may not exercise the privileges of the authorization until he has notified the FAA Flight Standards District office or International Field Office for the area in which the new base is located.)		

Question 3 : The holder of an inspection authorization may perform an annual, or perform or supervise a progressive inspection according to §§ 43.13 and 43.15 of this chapter.	Question 4 : The holder of an inspection authorization must keep the inspection authorization available for inspection when he exercises its privileges.
A—True. (Correct answer; the holder of an inspection authorization may perform an annual, or perform or supervise a progressive inspection according to §§43.13 and 43.15 of this chapter.)	A—True. (Correct answer; when exercising the privileges of an inspection authorization, the holder shall keep it available for inspection.)
B—False.	B—False.