

Sarah says

Tick tock

By Sarah MacLeod, ARSA executive director

As the government counts down to sequestration, the Association is working feverously to finalize details for its [Annual Legislative Day and Repair Symposium](#). Unlike our elected officials, ARSA has run successful gatherings since its inception. The annual event has traditions—a legislative day for members to meet lawmakers, opening segments with educational exchanges among and between regulators and regulated parties, a unique form of jeopardy, and annual [membership meeting](#). The event provides education, humor, and networking opportunities unavailable anywhere else; if you have not [registered](#), now is the time to punch the proper buttons and guarantee time well spent.

The activities begin on March 20, with the Association's legislative day. This is your chance to speak directly with lawmakers and their staff and share insights into the impacts their actions have on your business. For those members who have given [ARSA PAC solicitation consent](#), there will a special PAC luncheon with Rep. Richard Hudson (R-N.C.), chairman of the Homeland Security Subcommittee on Transportation Security. Later that afternoon there will be separate meetings to discuss ARSA's PR efforts through the Positive Publicity Campaign, the savings ARSA members can join through the Aviation Alliance Insurance Risk Retention Group, and efforts to overhaul the Part 147 curriculum.

On the March 21, the Repair Symposium will get underway with important sessions on maintenance, certification, new and pending regulations, and a customer session featuring airline representatives from American Airlines, Southwest Airlines, Atlas Air, and Delta TechOps.

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Sarah says, continued

On the 22nd, the Association will be trying something new following its annual Membership Meeting and breakfast. The morning will feature three breakout panels including an ICA workshop, a session on doing business with the military, and a discussion on major and minor repairs.

The complete agenda is available [online](#). With your active participation, the Association can ensure its best Symposium yet. I look forward to seeing you there!

Legal briefs

The air carrier and repair station regulatory relationship: part 2

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

After introducing the topic last month, this *Legal Brief* drills to the foundation of the air carrier and repair station relationship in the United States. Specifically, it starts at the general rules of applicability and the maintenance performance rules in Title 14 Code of Federal Regulations (14 CFR) part 43.

For many, thoughts on the subject do not begin at this fundamental level. Instead, we think in terms of air carrier requirements and work backward. That is especially true for those who matured in the commercial aviation environment where repair stations played a less significant role than they do today. However, beginning at an improper starting point makes the issues more complex than necessary.

Unfortunately, current guidance and common understanding reflect unnecessary complexities; returning to the basics will provide a fresh look at the plain language of the applicable regulations in a logical sequence.

The maintenance performance rules of § 43.13 apply generally, and point to other regulatory provisions as applicable. Section 43.13(a) covers what is used to perform the work, and states that:

Each person performing maintenance, alteration, or preventive maintenance on an aircraft, engine, propeller, or appliance shall use the methods, techniques, and practices prescribed in the current manufacturer's maintenance manual or Instructions for Continued Airworthiness prepared by its manufacturer, or other methods, techniques, and practices acceptable to the Administrator, except as noted in § 43.16 [airworthiness limitations]. He shall use the tools, equipment, and test apparatus necessary to assure completion of the work in accordance with accepted industry practices. If special equipment or test apparatus is recommended by the manufacturer involved, he must use that equipment or apparatus or its equivalent acceptable to the Administrator.



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Legal Briefs, continued

Section 43.13(b) addresses how the work is performed, and provides that:

Each person maintaining or altering, or performing preventive maintenance, shall do that work in such a manner and use materials of such a quality, that the condition of the aircraft, airframe, aircraft engine, propeller, or appliance worked on will be at least equal to its original or properly altered condition (with regard to aerodynamic function, structural strength, resistance to vibration and deterioration, and other qualities affecting airworthiness).

When an air carrier is involved, the requirements in § 43.13(a) and (b) do not simply evaporate; instead, § 43.13(c) states that:

Special provisions for holders of air carrier operating certificates and operating certificates issued under the provisions of Part 121 or 135 and Part 129 operators holding operations specifications. Unless otherwise notified by the administrator, the methods, techniques, and practices contained in the maintenance manual or the maintenance part of the manual of the holder of an air carrier operating certificate or an operating certificate under Part 121 or 135 and Part 129 operators holding operations specifications (that is required by its operating specifications to provide a continuous airworthiness maintenance and inspection program) constitute acceptable means of compliance with this section. (Emphasis added.)

Although the air carrier maintenance manual generally complies with § 43.13, the yardstick for measuring methods, techniques, and practices is still § 43.13(a). The work must also be performed in such a manner, and using materials of such a quality, that the condition of the article worked on will be at least equal to its original or properly altered condition as required by § 43.13(b). These plain and logical facts are borne out by a reading of the applicable regulations and the case law.

Looking forward, the relationship issue is clearer; that is, “how” air carrier maintenance must be accomplished goes back to § 43.13(c) and the methods, techniques and practices in an air carrier’s maintenance manual. In turn, a repair station’s requirement in § 145.205(a) to follow the “applicable sections” of an air carrier’s maintenance manual is not vague. Rather, the rules clearly fit together to show that a repair station must follow the “how to” instructions contained in an air carrier’s maintenance manual, which in turn ensures compliance with § 43.13(a) and (b).

It is therefore not an elusive goal to figure out what sections of an air carrier maintenance manual must be followed by a repair station. However, that only solves half of the equation. Future *Legal Briefs* will explore the muddled conceptions surrounding air carrier maintenance “programs” and what it means to a repair station.

Regulatory lookout

TIP revision 2

On Oct. 22, 2012, the second revision of the Technical Implementation Procedures (TIP) for Airworthiness and Environmental Certification between the FAA and EASA was issued. The purpose of the TIP is to provide guidance to regulators related to the import, export, and support of civil aviation products under the bilateral aviation safety agreement between the U.S. and the EU. This is the second revision since the document’s May 2011 original release.

A document detailing the revisions is available [here](#).

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



FAA extends comment period for air carrier contract maintenance NPRM

The FAA has extended the [comment period](#) for its notice of proposed rulemaking (NPRM) on air carrier contract maintenance requirements until March 13. The agency [issued the NPRM](#) on Nov. 13, 2012.

The proposal is a direct result of Sec. 319 of the [FAA Modernization & Reform Act](#), the latest FAA reauthorization legislation enacted in Feb. 2012. For a document comparing the language of the legislative mandate to that of the proposed rule, [click here](#).

ARSA is taking advantage of the extended time to finalize and strengthen its comments and strongly encourages all impacted parties to submit comments before the March 13 deadline.

FCC moves to prohibit certain emergency locators

On Jan. 30, the Federal Communications Commission (FCC) published a [proposed rule](#) prohibiting the certification, manufacture, importation, sale, or use of 121.5 MHz emergency locator transmitters (ELT). The FCC proposed the ban because satellite systems tracking distress alerts no longer monitor the frequency.

When the FCC initiated a similar rule in March 2011, the FAA asked for postponement and reconsideration because the Civil Air Patrol and search and rescue community still monitored the 121.5 MHz frequency and the agency had concerns about the costs and availability of replacements. The FCC agreed to take no action and stayed the proposed rule. However, it is once again requesting public comments on its implementation and the costs of transitioning to 406 MHz ELTs.

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/>.

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!

A member asked

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

Q: Our company is an authorized distributor for several lines of parts and we receive shipments of multiple pieces under a single “tag”; for instance, a European manufacturer may send us 100 pieces with a single Form 1.

Since that bulk shipment will be split among different customers as orders are received, we cannot send the original tag to everyone. Is there guidance for providing copies of the European Aviation Safety Agency (EASA) Form 1 in that scenario, or Federal Aviation Administration (FAA) guidance on providing copies in similar situations involving an Form 8130-3?

A: The answers, as you may expect, are different between the EASA and the FAA.

The EASA rules in commission regulation 2042/2003, at Appendix II to Annex I (titled “Authorised Release Certificate EASA Form 1) states in paragraph 3.1 (titled, “copies”) that: “There is no restriction in the number of copies of the Certificate sent to the customer or retained by the originator.” Basically, there is no “original” Form 1 in EASA terms and there can be as many “copies” as you like.

The rationale for EASA’s position is stated in its comment response document (CRD) to Notice of Proposed Amendment (NPA) 2007-13, which would have added the following language:

Where a single certificate was used to release a number of items and those items have been subsequently separated out from each other (such as through a part distributor), then a copy of the original certificate must accompany such items and the original certificate must be retained by the organisation, which originally received the batch of items. Failure to retain the original certificate could invalidate the release of the respective items.

The reason EASA gave for rejecting that proposed language was that “the Agency moved away from the concept of ‘original/copy’” due to the introduction of computer generated forms. It makes sense that if forms are computer generated, there is no “original” hard copy.

The FAA has not moved in that direction. Therefore, when dealing with an 8130-3 the answer is different. FAA [Order 8130.21G](#) contains procedures and sample forms for “splitting bulk shipments of previously shipped new products and articles.” Specifically, at paragraph 2.7 it states that: “The facilities authorized to split bulk shipments are PAHs, PAH associate facilities, distributors, PAH-approved suppliers having direct shipment authorization, and those certificate holders described in paragraph 3-1a of this order [which identifies a part 145 repair station and part 121 or 135 air carrier].” That same paragraph describes the particular certifying statement that should be made and provides examples in Figures 2-6(a) and (b).

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Quality time

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Employment law & repair stations

Final family medical leave regulations

By [Jonathan W. Yarbrough](#), Constangy, Brooks & Smith, LLC, 80 Peachtree Rd., Ste. 208, Asheville, NC 28803-3160. © 2013 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.

The United States Department of Labor (DOL) issued its Final Rule on the [Family Medical Leave Act \(FMLA\)](#). The rule's effective date is March 8, 2013. The changes were made mainly to address issues that were raised by two statutory amendments: the [National Defense Authorization Act for Fiscal Year 2010 \(FY 2010 NDAA\)](#) and the [Airline Flight Crew Technical Corrections Act \(AFCTCA\)](#).

Military leave changes

Military caregiver leave: The military family leave provisions expanded the availability of military caregiver leave. Under the prior rule, military caregiver leave was limited to eligible employees who were the family members of *current* service members with a serious injury or illness incurred while on active duty and in the line of duty. Military caregiver leave is now available to eligible employees whose family members are recent veterans with serious injuries or illnesses, including conditions that did not arise until after the veteran left the military.

That is, a covered service member includes "covered veterans." A covered veteran (1) must have been a member of the Armed Forces, including a member of the National Guard or Reserves; (2) must have been discharged or released from service for reasons other than a dishonorable discharge; and (3) the discharge must have occurred within the five years preceding the day that the employee's FMLA leave for the veteran's serious injury or illness would begin. In calculating the five years, however, the time between October 28, 2009 (the date the 2010 NDAA was enacted) and March 8, 2013 (the effective date of the rule), that is, 1,226 days, is not included in the calculation.

A "serious injury or illness" for a covered veterans now includes (1) preexisting injuries or illnesses that were aggravated in the course of military service; (2) a VA Service Related Disability Rating of 50% or greater; (3) a disability that "substantially impairs" the veteran's ability to get "substantial gainful employment" or would if untreated; and (4) injuries or illnesses that have been the basis for the veteran's enrollment in the Department of Veterans Affairs Program of Comprehensive Assistance for Family Caregivers.

In addition, the list of health care providers who can provide a medical certification to support an FMLA military caregiver leave now include providers who are not affiliated with the military. While health care certifications obtained from healthcare providers associated with the military may not be subject to second or third opinions, the employer may request a second or third opinion from the employee if the certification is obtained from a non-military affiliated provider.

The rule also expands the definition of serious injury or illness for current service members to include preexisting conditions that were aggravated by service in the line of duty or active duty.

Qualifying exigency leave: Before the enactment of the FY2010 NDAA, qualifying exigency leave was limited to eligible employees whose family member was a military member of the National Guard or Reserves. Now a

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qualifying exigency includes eligible employees with a spouse, son, daughter, or parent in the Regular Armed Forces on covered active duty.

A new type of “qualifying exigency” for the care of a military member’s parent was also included in the final rule. The parent must be of a military member and must be incapable of self-care. Activities may include, for example, arranging alternative care, admitting the military member’s parent to a care facility, and attending meetings with hospice or social service providers. The activities must arise from the military member’s covered active duty or call to covered active duty; that is, during deployment of the member of the Armed Forces to a foreign country.

Finally, the allowable leave for “rest and recuperation” has been increased from five calendar days to 15 calendar days.

Changes for all employees

The new rule provides that an employer must charge for intermittent or reduced schedule FMLA leave in the smallest timekeeping increment it uses for other types of leave. The employer may not use an increment larger than one hour and may not charge for more FMLA leave than the employee actually needs. The only exception would be if it is physically impossible for the employee to interrupt a shift once it has begun.

The DOL has provided new forms on its [website](#) – scroll down to forms WH-380-E through WH-385V.

Legal waypoints

Consequential damages – the other damages

By [Steven E. Pazar](#), attorney at Law, 11 Carriage House Lane, Boxford, Massachusetts 01921. © 2013 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.

“Take responsibility for the risks that you control.” This is a common rationale used to justify the allocation of risk in contract negotiations. Stated another way: “If a loss is the result of your actions, you should be willing to take responsibility for the resulting damage.” This position sounds reasonable; accepting this view, however, can leave you vulnerable to claims that far exceed commercial expectations.

Business transactions contain many standard elements. The parties outline a scope of work or services. They stipulate the commercial basis that forms part of the consideration. They allocate responsibility and liability for risks that are easily defined or largely unknown. Each party competes to shift risks and benefits using a variety of arguments and concepts. Standing on its own the concept of “damages” includes not only direct damages, but also consequential or incidental damages. Unless qualified, accepting responsibility for “damages” caused by your actions creates exposure to indirect and consequential damages.

Most sellers have a keen ability to identify direct damages – the damages resulting “directly” from actions. Indeed, direct damages, being closely connected to the seller’s services or products, are generally easier to visualize and evaluate. But direct damages are not the whole story.

It is often the consequential damages that create the biggest liability risk. Consequential damages are not a direct result of an act but rather a “consequence” of an initial act. Sometimes consequential damages are also referred to as special, indirect, incidental, or secondary damages. These indirect damages, being further removed from the seller’s services or products, are generally harder to visualize and evaluate. Examples include: loss of use, revenues, and/or profits, costs associated with removal and replacement of goods or products, and loss of reputation. These damages are available as compensation for a breach of contract if within the reasonable contemplation of both parties at the time of contracting. The Uniform Commercial Code describes the basis for recovery as follows:

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UCC § 2-715. Buyer's Incidental and Consequential Damages.

(1) *Incidental damages resulting from the Seller's breach include expenses reasonably incurred in inspection, receipt, transportation and care and custody of goods rightfully rejected, any commercially reasonable charges, expenses or commissions in connection with effecting cover and any other reasonable expense incident to the delay or other breach.*

(2) *Consequential damages resulting from the Seller's breach include:*

(a) *any loss resulting from general or particular requirements and needs of which the Seller at the time of contracting had reason to know and which could not reasonably be prevented by cover or otherwise; and*

(b) *injury to person or property proximately resulting from any breach of warranty.*

Typically a seller seeks to limit its total liability exposure by carefully drafting warranty provisions, properly insuring its business and sometimes capping its liability to a specific dollar amount. Another good practice is to seek a mutual or reciprocal disclaimer of consequential damages that suits the risks of a particular transaction. A sample provision for illustration purposes only is:

Disclaimer of Consequential Damages: *Notwithstanding anything to the contrary elsewhere in this Agreement, in no event shall either party be liable to the other for special, consequential, incidental, secondary, or indirect damages; including but not limited to, such damages resulting from loss of use, loss of data, loss of actual or anticipated profits or revenues, loss of business reputation or opportunity, loss by reason of shutdown, non-operation, or increased expense of manufacturing or operation, cost of capital, damage or loss of property or equipment of CLIENT, or claims of customers of CLIENT, whether such liability arises out of delay, contract, warranty, tort (including but not limited to negligence), strict liability, or otherwise.*

Note: *The sample provision is not intended for use without appropriate review in your jurisdiction.*



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AWD aims to spotlight aviation workforce issues and foster industry growth

Last month, **the hotline** introduced readers to [Aviation Workforce Development \(AWD\)](#), a nonprofit group dedicated to providing labor market information and career entry and development resources for the aviation maintenance industry.

To learn more about AWD, **the hotline's** editors sat down with AWD's Executive Director Dr. Tara Harl with a few questions about the group and its goals.

ARSA: What inspired the creation of AWD?

Dr. Harl: *For years, I attended conferences, round tables, panel presentations, leadership events, and read endless articles bemoaning the declining aviation workforce. While there was a lot of passion in these discussions – after the dust settled, nothing really changed. I decided to be more proactive, and do something.*

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ARSA: What is Aviation Workforce Development's mission?

Dr. Harl: *To be the recognized gateway and career support organization for professionals serving the aviation industry*

ARSA: What are the factors contributing to the "perfect storm" in aviation maintenance employment that AWD aims to combat?

Dr. Harl: *The looming retirement from the baby boomer generation will sap the industry of thousands of experienced personnel. While this generation has made the industry what it is today, the maintenance community has not done a great job attracting successive generations of workers. Furthermore, the industry is not reflective of the nation's changing demographics. For stability, it is critical that employers focus on building a workforce that reflects the country's diversity.*

Frankly, we have a lot of work to do in bringing the image the public holds of our industry in line with the highly professional, technical reality that is today's maintenance workplace. This image deters qualified individuals from entering the field. To encourage growth, we must promote an accurate portrayal of what we do and our contribution to aviation. ARSA has been at the forefront of this effort with its Positive Publicity Campaign, and AWD looks forward to working with ARSA to ensure that the truth is told.

I also believe that aviation has banked on employees coming our way based on passion. How many doctors show up at hospitals on the weekend for "medical shows"? Yet look around airshows; it is raw passion. But, the hard reality is passion only gets us so far when our training expenses don't bring the same return on investment as other career fields. Our labor issues don't shout "come work for us"; our work environment can sometimes be degrading, and societal changes have taken away respect for many of our titles. We must get beyond passion as our key marketing tool and offer more tangible items, things that young people can get their heads and hand around. While it is true that most students say they want to be a doctor to "help people," let's face it, the salaries don't hurt recruitment. Why should someone spend \$80,000 to get technical licensure/college degrees in aviation for a starting salary at a quarter of that and then be considered a "grease monkey, or "glorified bus-driver"?

ARSA: What do you see as the most effective strategy for attracting and retaining interest in the field?

Dr. Harl: *We must reach beyond the collegiate/tech school level of education to attract workers and leaders for the future. Studies show that we if you don't get on the K-12 radar screens with career offerings, students go elsewhere. Aviation needs to step up its game to attract students from diverse backgrounds. Many other industries began working to attract women and minorities decades ago; the aviation industry is now eating their dust.*

ARSA: A lot of your activities are occurring in the digital world. Why is it important to have a robust online presence in today's hiring environment?

Dr. Harl: *If you want to reach Millennials you have to navigate toward and with them. Millennials, and the generations coming up behind, will be the visionaries to take us into our third century of aviation. Passing knowledge and skills will be done where they gather. AWD discovered that fact quickly when we went mobile with our website; it brought in nearly 70 percent more hits. That to me says it all.*

ARSA: What has been AWD's biggest success so far?

Dr. Harl: *The incredible outpouring of industry expertise that has stepped forward to help us as we grow and tackle these complex issues. We are blessed with a dedicated [Board of Directors](#), advisory council, and many others behind the scenes. Their passion, commitment, and energy for our mission validate the aviation industry's strength; we are going to weather whatever challenges come our way.*

And I must add, the wonderful design and implementation of our website and Facebook pages are from the talents of Millennials – aviation undergrad and graduate students who have a fire in their bellies. They have been a force of inspiration.

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ARSA: What are some of the avenues ARSA members can take to get involved with AWD and help recruit the next generation of aviation maintenance technicians?

Dr. Harl: *We can use their expertise and connections to keep AWD abreast of the latest and most important industry trends, mentoring resources, and avenues for education/employment for the next generation. Help us spread the word and find resources to accomplish our mission so that we don't lose that future generation of maintenance tech professionals to another industry.*

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ARSA action

ARSA Symposium – Got a question?

This year's [Repair Symposium](#) will feature speakers from the Federal Aviation Administration, the European Aviation Safety Agency, the Australian Civil Aviation Authority, Atlas Air, Delta TechOps and Southwest Airlines, to name a few.

ARSA is gathering member questions that moderators will pose to panelists in “conversational” sessions. Even if you're not able to attend the symposium, submit those questions by March 1, to ensure they're considered for inclusion.

To submit a question, [click here](#).

ARSA defends certification process

On Feb. 4, The Seattle Times ran a [story](#) about the FAA's role in the certification of the Boeing Dreamliner. Unfortunately, the story missed the point on the most important elements of the type certification process by which the design of an aircraft is approved by the Federal Aviation Administration (FAA). In a letter to the editor, ARSA noted that the story failed to recognize that it is the applicant – and eventual type certificate holder – who is legally responsible for the design submitted to the FAA.

To support the basis for its certification, the applicant submits design data that includes all the drawings, specifications, analysis, and procedures necessary to manufacture the product consistently. The FAA's role is to determine if the design data meets applicable regulatory standards. It is, and has always been, the agency's prerogative to oversee the certification process, not to conduct it. The company is responsible for the design and production process under the watchful eye of the agency.

With certification issues in the limelight, ARSA stressed that the delegation process is neither new nor at fault in the current situation. The FAA would need thousands more engineers on staff to perform all the necessary regulatory approvals itself and, even then, it would not be as knowledgeable about the product as the manufacturer that designed it.

The individuals who are "deputized" by the FAA to make compliance findings on the FAA's behalf are knowledgeable, highly professional, and closely overseen. To condemn the livelihood of these and other hard working people in the Pacific Northwest based upon the criticism of a few is simply not supported by the facts.

Indeed, it may come as a surprise to some that federal law protects the FAA and other government agencies from lawsuits based on "discretionary functions" such as aircraft certification. This is not the case for the companies that design, produce, operate, and maintain those aircraft, or for the FAA designees that support the agency's mission. They are the ones ultimately accountable.

"Let's refrain from blaming the FAA or Boeing or the delegation system for the latest technical challenge and recognize that while our safety record is exemplary, introducing a new aircraft is a complex undertaking," ARSA stated.

As with previous anomalies, the cause of these events will be found and the appropriate corrective actions will be taken. For an interesting historical perspective on delegation and certification concerns, check out this 1995 article also from The Seattle Times, "[Is the FAA up to the job?](#)". Though addressing a different Boeing aircraft, it highlights the fact that, with the FAA, the more things change, the more they stay the same.



NOTICE OF ANNUAL MEMBERSHIP MEETING

On March 22, 2013 at 8:00 a.m. EST, ARSA will hold its annual membership meeting. The meeting takes place in conjunction with the association's symposium at the Ritz Carlton, Pentagon City in Arlington, Va.

ARSA President Gary Fortner of Fortner Engineering will give the "State of the Association"; members are encouraged to bring their questions regarding association administrative matters and its priorities moving forward. All members are welcome and encouraged to attend.

Registration is available at <http://arsa.org/news-media/events/register-for-symposium/>

Positive publicity

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.

[Airline industry at its safest since the dawn of the jet age](#) (*The New York Times*)

[Demand for aviation maintenance technicians soars](#) (*Alaska Dispatch*)

[Aviation maintenance technicians keep planes airborne](#) (*The Atlanta Journal-Constitution*)

[Hawker Beechcraft service centers awarded FAA's prestigious maintenance awards](#) (*Aviation.ca*)

[LA Unified aviation training center gets \\$100,000 donation](#) (*Los Angeles Times*)

[Baker Aviation maintenance teams with Jet Mall – expands services](#) (*AviationPros.com*)

[Florida considers helo maintenance tax exemption](#) (*AINOnline*)

[AAT Aircraft Maintenance keeps on growing](#) (*AINOnline*)

[AAR aims to hire more aircraft mechanics for Duluth maintenance base](#) (*DuluthNewsTribune.com*)



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For more information, please visit www.componentcontrol.com

ARSA on the Hill

By Daniel Fisher, ARSA vice president of legislative affairs

In February, ARSA met with multiple lawmakers and staffers to discuss ARSA's legislative priorities.

The Association weighed-in on several important issues, including [sequestration's impact](#) on the aviation maintenance industry and President Obama's political [play to alter the depreciation schedules](#) on purchases of private aircraft.

ARSA was successful in [encouraging the U.S. Chamber of Commerce](#) to make lifting the foreign repair station certification ban one of the powerful business group's top aviation policy priorities. The legislative team met with representatives of the Canadian Chamber of Commerce and the French Aerospace Industries Association to further cooperation on international aviation issues.

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The Association also coordinated a facility visit and ARSA PAC check delivery for Rep. Mario Diaz-Balart (R-Fla.) to Barfield, Inc.'s Miami facility (*see related story, this issue*).

With ARSA's [Legislative Day](#) quickly approaching, the Association has been working to secure speakers and coordinate Capitol Hill office visits. For assistance in scheduling visits with your lawmakers, contact ARSA Communication Coordinator [Josh Pudnos](#).

Bills on the Hill

General aviation in the crosshairs

In an effort to raise revenues to prevent sequestration, President Obama and some Democratic lawmakers have once again put general aviation in its crosshairs, proposing to lengthen the depreciation schedule for noncommercial aircraft.

Closing the "corporate jet tax loophole," as some in Washington are calling it, would barely scrape the surface of solving our national debt and would actually have the unintended consequence of wreaking havoc on the small businesses involved in general and business aviation, including the repair stations.

"The call to reduce the depreciation schedule for general aviation aircraft is nothing more than a political gambit. It will negatively impact the entire aviation industry—a sector that lifts the American economy, creating jobs for millions of people in communities across the country," said ARSA Vice President of Legislative Affairs Daniel Fisher.

In the past, the president and his allies on Capitol Hill have proposed changing the depreciation schedule on private planes. The current law allows owners to write down more of the aircraft's cost earlier in its life. While labeled as a loophole for corporate jets, in reality it would affect all non-commercial aircraft.

While ARSA encourages lawmakers to find real solutions in order to solve our nation's debt crisis, it is imperative that they focus on matters that would make a substantive difference, rather than target an important industry in an effort to score cheap political points.

Please visit ARSAaction.org to urge your lawmakers to reject the attack on the aviation industry.

FAA will take a hit under sequestration, but true impacts remain unclear

As *the hotline* went to press, it appeared that automatic cuts to all federal agencies through the sequestration process were all but certain to take effect on March 1.

The FAA stands to see its budget axed by \$619 million because of sequestration. The majority of these cuts (\$483 million) will come from the agency's operations budget. A Feb. 13 [report by](#) House Appropriations Committee Democrats cautioned that the FAA will face significant reductions under the automatic budget cuts and warned of potential long-term consequences. The agency is expecting diminished capacity during the busy summer travel season, and the aviation trust fund would receive less than anticipated revenues. Fewer receipts will force the FAA to rely more heavily on scarce general funds. Additionally, any long-term budget reductions instituted because of sequestration will only further strain the agency's limited workforce.

The report also warns that the cuts could lead to significant delays on as many as 1,480 ongoing aircraft parts and manufacturing projects due to workforce reductions. This is in line with Transportation Secretary Ray LaHood's [warning](#) that the automatic reductions will cause the "vast majority" of the FAA's employees to be furloughed one or two days per period. While exact details are unknown, it seems certain that sequestration's impact will strain the FAA's already overburdened workforce.

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In addition to sequestration's effect on aircraft and parts certification, LaHood has stated that it will hinder the development and deployment of the NextGen satellite navigation system, and create delays for air travelers due to agency workforce reductions.

While it is certain that sequestration will negatively impact the FAA's budget and operations, it is unclear how industry will be affected. The reductions are likely not to be felt for at least a month, and many within the administration and Congress are seeking to grant agencies more discretion on implementing the cuts. Some GOP lawmakers, meanwhile, have [called](#) into doubt the statements from LaHood, President Obama, and other congressional leaders, accusing them of seeking political points by hyping up dire predictions.

Does sequestration hit you?

Since sequestration's true impact is unknown, ARSA wants to hear from its members: How does sequestration impact your company? Do you anticipate any delays in your dealings with the FAA?

Help us tell those on Capitol Hill that when lawmakers don't give the FAA the resources to carry out congressional mandates, it is the hardworking men and women of the aviation industry that are hurt the most. Send your story about sequestration's impact to ARSA Vice President of Legislative Affairs [Daniel Fisher](#).

ARSA PAC shows its chops early in 2013

Coming off a record breaking year in 2012, ARSA PAC started the new year off strong by coordinating a facility visit and PAC check delivery for a senior member of Congress.

On Feb. 8, Rep. Mario Diaz-Balart (R-Fla.) visited Barfield Inc.'s Miami facility, where the company's leadership team reinforced the economic impact repair stations have on the local economy and urged support for many of ARSA's legislative priorities. The primary topic of discussion was the impact the foreign repair station prohibition is having on Barfield.

In conjunction with the visit, Barfield's Vice President of Quality Robert Arnett presented Rep. Diaz-Balart with an ARSA PAC check to support his reelection campaign.



Rep. Mario Diaz-Balart (center) with Barfield Inc. CEO Frederic Denise (left) and Vice President of Quality Robert Arnett (right).

Rep. Diaz-Balart has been a long-time advocate for Florida's aviation maintenance industry. As senior member of the House Appropriations Committee, he is in a unique position to limit congressional micromanagement of repair stations.

ARSA encourages members to become politically engaged to show lawmakers the real economic and safety benefits of repair stations. Take the first step to making a difference today by granting [ARSA PAC](#) solicitation consent.

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

If you have any questions about ARSA PAC or are interested in hosting a lawmaker for a facility visit, please contact ARSA communications coordinator [Josh Pudnos](#) at 703 739 9543.

[Click here](#) to grant solicitation consent for 2013, 2014, and 2015.

Get the *ARSA Dispatch* for weekly news briefings—[Click here to subscribe!](#)

US Chamber urges removal of FAA foreign repair station ban

The U.S. Chamber of Commerce, the nation's largest business advocacy group, has joined ARSA in urging lawmakers to end the prohibition on the FAA's certification of new foreign repair stations.

"Put simply, the ban is hindering the competitiveness of the U.S. aerospace industry," the Chamber's President & CEO Thomas Donohue said in his Feb. 13 [written testimony](#) to the House Transportation & Infrastructure Committee.

Congress prohibited the FAA from approving new foreign repair station certificate applications submitted after Aug. 3, 2008 because the TSA had not finalized repair station security rules first mandated by Congress in 2003.

In his testimony, Donohue highlighted several challenges facing America's transportation sectors. While recognizing the need for a strong federal role in modernizing aviation infrastructure, the Chamber urged the government to ensure that its policies do not undermine operational freedom.

Chief among the Chamber's recommendations for encouraging growth in the aviation sector was a call for the Transportation Security Administration to issue the repair station security rules, or for Congress to affirmatively lift the ban "so that the industry is no longer punished for bureaucratic inaction." The testimony noted that the TSA's failure to issue security rules hurts U.S. aviation companies by preventing companies from tapping into expanding overseas markets.

"The U.S. aviation maintenance industry is paying the price for TSA inaction and congressional micromanagement," said ARSA Vice President of Legislative Affairs Daniel Fisher. "ARSA is pleased the Chamber has made this a priority and looks forward to working with our allies to end this disastrous policy."

ARSA is a member of the U.S. Chamber of Commerce and serves on its Transportation Infrastructure and Logistics Committee. Be sure to tell your lawmakers about the negative impact the ban has on the aviation industry by sending a note through [ARSAaction.org](#).

Have you seen this person?

Each month, *the hotline* spotlights key regulatory, legislative, and business leaders making important contributions to the aviation industry. This month we look at **John Hickey, FAA Deputy Associate Administrator for Aviation Safety**.



John Hickey was named deputy associate administrator for aviation safety in December 2008.

He assists the associate administrator in providing oversight and direction for the certification, production approval, and continued airworthiness of aircraft; certification of pilots, mechanics, flight attendants, and others in safety-related positions; certification of all operations and maintenance enterprises in domestic civil aviation; development of regulations; and certification and safety oversight of U.S. commercial airlines and air operators.

Hickey served eight years as the director of the aircraft certification service (AIR) at FAA. In that role, he was responsible for the design certification, production approval, and continued airworthiness of the U.S. civil aircraft fleet. He began his FAA career in 1990 as a flight test engineer on the transport airplane directorate's standards staff.

Prior to joining FAA, Hickey worked in Boeing's engineering division. He first became involved in aircraft certification in 1984 on the Boeing 737-300 program, and subsequently served as certification lead for aerodynamics performance on the 737-400, 737-400HGW, and 737-500 programs. While at Boeing, he was a designated engineering representative.

Hickey earned a bachelor's degree in aerospace engineering from Boston University in 1980.

International news

ARSA joins Canadian Chamber of Commerce

On Feb. 12, ARSA joined the [Canadian Chamber of Commerce](#) (CCC), the country's largest and most influential business advocacy group.

The relationship with the CCC will help broaden ARSA's international advocacy efforts, connect the Association with aviation leaders in Canada, and offer the opportunity to highlight the positive economic impact of the aviation maintenance industry for lawmakers in Ottawa.

CASA regulatory reform nears completion

The Australian Civil Aviation Safety Authority (CASA) recently indicated its regulatory reform process will conclude by the end of this year. Although beleaguered by twenty years of false starts and setbacks, the regulatory overhaul is aimed at simplifying and clarifying regulations while improving safety.

CASA released several [discussion papers](#) in 2012 regarding maintenance requirements for non-regular public transport operators, and it is currently consulting with industry stakeholders to develop regulations to reduce the regulatory burden on maintenance providers.

Though the agency will wrap up reform efforts later this year, it plans to implement the new regulations over a period of several years to avoid overwhelming industry. CASA issued new part 145 regulations in 2011, giving operators a two-year window to transition to the new requirements. Australian maintenance providers must comply with the new part 145 mandates by June 26, 2013.

Ultimately, CASA intends for the overhaul to bring Australia's regulatory framework in line with other modern regulatory regimes as outlined in the agency's 2009 [National Aviation Policy White Paper](#).

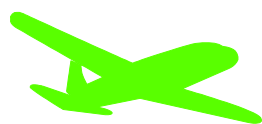
Judge rules Air Canada maintenance must stay in Canada

On Feb. 4, an opinion from the Quebec Superior Court held that Air Canada is required to keep maintenance work in Canada. Specifically, the court stated that the Air Canada Public Participation Act requires certain Air Canada maintenance operations to remain in Canada. As a result, it found that Air Canada's recent contract for the performance of heavy aircraft maintenance checks in the United States violated the Canadian law.

The suit was brought by the Quebec government following the bankruptcy and subsequent closure of Canadian maintenance provider Aveos in early 2012. While Quebec argued that Air Canada violated the law, the carrier had obtained a previous legal opinion from the Canadian federal government signaling that the contracting could proceed.

Air Canada said it will appeal the ruling. In the meantime, the Canadian government is considering changing the law to address the issues raised in the case.

This matter highlights the political challenges facing contract maintenance globally. Repair stations have made airlines more efficient and air travel safer, but governments are still adopting protectionist policies designed to make it more difficult to contract. ARSA will continue to monitor this case and potential legislative fall out.



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AVIATION ALLIANCE INSURANCE RISK RETENTION GROUP, INC.

Insurance for Repair Stations

[click here for information](#)

International roundup

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

With REACH legislation, aviation safety concerns need to be taken into account (*FINANCIAL*)

EU chemical ban has far-reaching effects on European MROs (*Aviation Week*)

Nigeria, Indonesia sign pact on airlines, aircraft maintenance (*The Nation*)

India to create new civil aviation regulator (*Aviation Week*)

Airbus drops lithium-ion batteries from A350 aircraft (*Pacific Business News*)

Lifeline for airlines as new aircraft maintenance hangar beckons (*The Guardian*)

M1 Composites Technology opens new Montreal facility (*AINOnline*)

Sagem creates Indian subsidiary (*AviTrader*)

MTU Maintenance signs USD440 million contract with Brazilian carrier GOL (*AviationPros.com*)

Member spotlight

EuroTec Vertical Flight Solutions, LLC, Eudora, Kan.

EuroTec Vertical Flight Solutions provides all-inclusive maintenance, repair and overhaul services for helicopters, components, and gas turbine engines. The company serves the light to medium helicopter industry by offering owners and operators wide-ranging support through its Comprehensive Airframe and Engine Solutions (CAES) programs. EuroTec provides MRO services on Eurocopter helicopters, components and Turbomeca gas turbine engines.

Through its depth, flexibility and understanding the needs of the industry, EuroTec has the ability to rapidly adapt, allowing the company to find superior means of service, and to support customers with solutions that promote the safe and efficient use of helicopters worldwide. EuroTec's success begins with its employees, and their drive to ensure that products and services help keep helicopters operating safely and efficiently.

For more information, visit <http://www.eurotecvfs.com/index.php>

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

Welcome new members

D-Velco Aviation Services, Phoenix, Ariz.

Regulatory compliance training

Editor's Note: As our readers prepare to have their heads filled with regulatory knowledge at the Annual Repair Symposium, ARSA is taking the month off from bringing out readers new regulatory compliance training. Look for the questions and answers to return with the March 31, 2013 issue of **the hotline**.