



Aeronautical Repair Station Association

since 1984

***the hotline***

May 2013

## ***Sarah says***

### **Into Tomorrow**

*By Sarah MacLeod, ARSA executive director*

I was honored to be the keynote international speaker during the first Aviation MRO Indonesia event in Jakarta. Many questioned spending forty hours in transit to attend a two-day event in an underdeveloped part of the planet, but this association never questions the importance of being recognized in all parts of the globe. Invited to represent ARSA's regulatory and legislative expertise, I had the pleasure of spending exclusive time with the Director General of the Indonesian Civil Aviation Authority and joined a distinguished list of speakers including Dr. Norbert Lohl, Certification Director for the European Aviation Safety Agency (EASA).

The country has a total of seventy repair stations; a quarter of these belong to the Indonesian Aviation Maintenance Shop Association (IAMSA), the champion of the conference. Five companies hold EASA-approved maintenance organization certificates, and three have repair station certificates from the Federal Aviation Administration. The companies perform approximately thirty percent of the Indonesian airline fleet's maintenance, meaning the air carriers contract seventy percent of their maintenance to companies outside the country. The in-country shops are determined to increase their share to at least sixty percent, which requires rapid but sustainable growth. The industry faces similar challenges to all "blue-collar" businesses worldwide—reasonable access to finances and obtaining technically competent personnel.

The island nation has all the earmarks of being aviation-centric. Indonesia's economy has experienced stable growth, and its island locations are convenient to Singapore and other eastern nations. Garuda, one of its air carriers, was progressive in requesting a two-person cockpit design from Airbus when it purchased its first fleet and continues to improve its world standing.

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***Sarah says, continued***

As a representative of the regulatory compliance worldwide, it was well worth the time and energy to spend a week looking into tomorrow.

***Latest News***

## **DOT OIG Report Highlights Opportunities to Improve Oversight**

The Federal Aviation Administration (FAA) has been too slow in shifting to risk-based oversight of the aviation maintenance industry, a report released today by the Department of Transportation's Office of Inspector General (OIG) found.

The OIG prepared the report titled "[FAA Continues to Face Challenges in Implementing a Risk-Based Approach for Repair Station Oversight](#)" at the request of the U.S. House of Representatives Committee on Transportation & Infrastructure's Subcommittee on Aviation. The OIG investigation focused on "(1) determining whether the FAA's oversight includes accurate and timely risk assessment of repair station, and (2) evaluating the effectiveness of the FAA's oversight of foreign and domestic repair stations."

The OIG's most important finding was the FAA has been more focused on mandatory inspections than shifting limited oversight resources to high risk areas. The Aeronautical Repair Station Association (ARSA), which represents aviation maintenance and manufacturing companies, has long echoed concerns expressed in the report and worked with regulators and lawmakers to improve the quality of oversight.

To improve regulation of the aviation maintenance industry, ARSA believes the OIG should ensure the FAA issues regulations in strict accordance with statutes; provides clear, concise guidance material to its workforce and the public; and enforces the regulations uniformly and consistently.

While the report highlights the need to improve the way the FAA does its job, air travelers should rest easy. "Shortcomings at the FAA don't translate into safety deficiencies in the industry," ARSA Executive Vice President Christian A. Klein said. "Regardless of whether or not regulators are looking over their shoulders, our members have an overwhelming business incentive to achieve the highest levels of safety possible."

Although the report never questioned the quality of repair stations' work or raised safety concerns, the OIG cited examples of technical violations of the FAA's policies, suggesting enhanced agency oversight would improve compliance. ARSA is concerned that an investigation intended to examine problems with regulators focuses, though fleetingly, on repair station conduct. "The OIG's explicit role is to audit for the efficient and effective use of agency resources and



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***Latest News, continued***

investigate waste, fraud and abuse,” ARSA Executive Director Sarah MacLeod said. “In its auditing role, the OIG should be reviewing the FAA’s ability to make, interpret and enforce its rules.”

“It’s ironic that the OIG questions the methodology of the findings of past FAA inspections yet assumes the validity of its own audits without giving the repair station community a chance to rebut,” MacLeod said.

ARSA hopes the report will motivate the FAA to make the changes necessary to improve the quality of its industry oversight. “Our association has long urged the FAA to move to a standardized approach to repair station oversight and target inspections based on risk assessments to use limited resources more efficiently,” MacLeod said. “ARSA looks forward to working with Congress and the FAA to address the issues raised in the report, improve the quality of oversight, and achieve our common goal of the safest, most efficient civil aviation system in the world.”

## **MacLeod Addresses AMROI**

This week, ARSA Executive Director Sarah MacLeod addressed attendees at [Aviation MRO Indonesia 2013](#) in Jakarta. MacLeod provided the International Key Note Address titled “Strengthening Bilateral Cooperation in Aviation Safety and Maintenance Regulations” and also participated as a panelist during the “MRO Roundtable – How Can Indonesia’s MRO Industry Achieve World Class Standards and Keep Pace with the Expansion and Growth of the Country’s Airlines?”

In addition to presenting at AMROI 2013, MacLeod met with key Indonesian aviation officials to discuss aviation maintenance safety and economic matters as well as ways in which the U.S. MRO community can work more collaboratively with the Indonesian MRO community.

“This trip has been a fantastic educational and networking experience,” stated MacLeod. “Indonesia continues to expand its MRO presence. ARSA must be actively engaged with those companies that provide maintenance in Indonesia to ensure collaboration on safety and business matters with their counterparts here in the U.S.”

## **Obama Fills FAA Deputy Spot with Aviation Exec**

On May 15, President Obama [announced](#) his intent to nominate Michael Whitaker, a former aviation industry executive, to serve as the FAA’s deputy administrator. Because the position does not require Senate confirmation, Whitaker’s service will become effective upon the president’s official nomination.

Whitaker most recently served as a board member and business development consultant for InterGlobe Enterprises from 2011 to 2012 following two years as the group’s CEO. Whitaker worked for United Airlines from 1994 to 2009, most recently as senior vice president for alliances, international, and regulatory affairs. He also spent time at Trans World Airlines from 1991 to 1994 as assistant general counsel for regulatory and international affairs.

The FAA has been without a deputy administrator since 2011, when now-Administrator Michael Huerta was promoted following the resignation of former Administrator Randy Babbitt.

## **Funding Opportunities for Partnerships with Higher Education**

One of ARSA’s top priorities is workforce development. ARSA therefore provides its membership with opportunities to train the future workers and leaders of the aviation industry.

One way for a repair station to invest in its community and help develop a stronger local workforce is to partner with a local trade school or community college. Two federal grant opportunities are available to fund

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partnerships with higher education institutions. While both require the school be the named applicant, the funds may be used toward a joint project with a business or local employer.

The first funding opportunity is the “[Trade Adjustment Assistance Community College and Career Training Grants Program](#)” (TAACCCT), offered by the U.S. Department of Labor’s Employment and Training Administration (ETA) in conjunction with the U.S. Department of Education and supporting projects seeking to provide resources or training for students’ educational and workforce development purposes. The program offers grants ranging from \$2,372,500 to \$2.75 million to single institution applicants and grants of up to \$25 million to consortium applicants. There are several requirements the project must meet to receive funding under TAACCCT. Perhaps most importantly, one or more employers must be actively engaged in the project.

A second funding opportunity is an [Aviation Research and Development Grant](#) via the FAA. This is not available to projects intended to educate or train the workforce, but rather to support research in the “fields of science, engineering, aviation medicine, and human factors with potential relevance to the long-term growth of civil aviation.” Research projects in one of these fields are eligible for a grant of up to \$5 million.

For information on federal grants, visit [Grants.gov](#).

## **Appeals Court Unpins NLRB Poster Rule**

On May 7, the U.S. District Court of Appeals for the D.C. Circuit Court of Appeals [reversed a lower court decision](#) and struck down a 2010 National Labor Relations Board (NLRB) [regulation](#) requiring most private-sector employers to post a government-drafted notice of employee rights.

The court found the NLRB rule would violate employers’ first amendment rights by forcing the display of language that favors unionization. The court held:

“The Board’s rule requires employers to disseminate such information, upon pain of being held to have committed an unfair labor practice. But that difference hardly ends the matter. The right to disseminate another’s speech necessarily includes the right to decide not to disseminate it.”

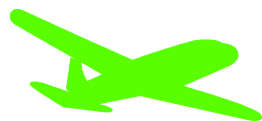
ARSA joined its allies at the Coalition for a Democratic Workplace (CDW) in opposition of the NLRB rule, arguing it would require nearly six million businesses to post notices amounting to little more than advertisements for union membership.

The posting notice issue is far from settled. Another challenge to rule is pending before the Fourth Circuit Court of Appeals, which is hearing an NLRB appeal from a South Carolina federal district court that also struck down the rule. Depending on the outcome, the Supreme Court may choose to take on the case. For now, however, employers are free from displaying this contentious poster against their will.

## **Join ARSA’s Grassroots Efforts**

ARSA’s grassroots action site, [ARSAaction.org](#), provides an easy way to connect with your lawmakers. Use this tool to send a message to leaders in Washington on the most important legislative issues impacting aviation maintenance. The site provides simple ways to become active, informed, and involved with the association’s efforts to grow the profile of the aviation maintenance industry in Washington.

Don’t let the industry’s opponents tell our story—visit [ARSAaction.org](#) for the political resources to fight for contract maintenance.



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## **Legislative News**

### **Lawmaker Unveils Bill to Jump-Start Small Aircraft Innovation**

On May 7, Rep. Mike Pompeo, R-Kan., introduced legislation that would cut regulations on the general aviation industry to improve safety, decrease costs, and unleash private-sector creativity.

The Small Airplane Revitalization Act ([H.R. 1848](#)) seeks to streamline the certification process for part 23 aircraft by addressing a number of challenges facing the general aviation industry –including the steady decline in new pilots, flight activity, and the sales of new small general aviation airplanes – caused by outdated regulations.

On the other side of Capitol Hill, Sens. Amy Klobuchar, D-Minn., and Lisa Murkowski, R-Alaska, introduced companion legislation on May 23 titled the Small Aircraft Revitalization Act ([S. 1072](#)), which also seeks to cut red tape associated with small aircraft certification.

The speedy but thorough approval of new aircraft is vital for the continued expansion of the aviation industry. It is imperative our lawmakers work together to pass this critical legislation to spur economic growth and make certain our aircraft fleet is at the cutting edge of the aviation industry, both in safety and innovation. Stay tuned as the story progresses.

### **Bipartisan, Bicameral Leaders Launch Tax Reform Campaign**

Senate Finance Chairman Max Baucus, D-Mont., and House Ways & Means Chairman Dave Camp, R-Mich., have joined forces to launch an online comprehensive tax reform campaign aimed at bringing in families and job creators to weigh in on the conversation.

Developed in partnership with the Joint Committee on Taxation, [TaxReform.gov](#) offers tools to inform the public about why reform is needed and what actions are already underway. Additionally, visitors are encouraged to share stories and ideas about the tax code. The public can also submit comments via Twitter to the handle [@simplertaxes](#). Lawmakers will use this input as they craft legislation.

ARSA has remained actively engaged with leaders in Washington throughout the comprehensive tax reform debate by submitting [comments](#) on the Ways & Means' small business tax reform discussion draft.

ARSA urges its members to tell their story using [TaxReform.gov](#).

## **Legal Briefs**

### **Keeping it on the Record**

*Editor's note: This edition of Legal Briefs was originally published in the October, 2008 version of [the hotline](#).*

This month's Legal Brief will explore how maintaining business records can help a repair station stay in compliance with Title 14 CFR part 145. Specifically, this article will explore how the contracts a facility enters into with air carriers and sub-contractors can help ensure and document its compliance with the regulations.

#### **Air Carrier Contracts**

The contracts between operators and their maintenance providers are an important element in ensuring regulatory compliance. Part 121 and 135 air carriers are, of course, primarily responsible for the airworthiness of their aircraft and for the maintenance performed thereon, including engine, propeller and component

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maintenance (see §§ 121.363 and 135.413). In addition, those operating aircraft type certificated with 10 or more passenger seats must follow their Federal Aviation Administration (FAA)-approved continuous airworthiness maintenance programs (CAMP) and ensure that the work is performed in accordance with their manuals (see §§ 121.367, 121.369, 135.425 and 135.427). These obligations apply whether the work is being performed in-house or by a contract maintenance provider.

Indeed, the FAA considers the vendor to be an extension of the air carrier's maintenance organization. Part 145 mirrors part 121 by requiring that work performed on behalf of an air carrier must be performed in accordance with the carrier's maintenance program and "the applicable portions" of the carrier's manual (see § 145.205). Due to the size of most carriers' manuals the FAA expects them to identify the applicable portions that apply to the work performed by their contractors.

There are only a few ways to formally flow down this essential regulatory information to a repair station. These include the air carrier's General Maintenance Manual (GMM) or similar document, the purchase order (PO) directing the accomplishment of specific work in accordance with the operator's instructions, a General Terms Agreement (GTA) that usually covers the commercial aspects of the relationship or an Airworthiness Agreement, used by many air carriers and their substantial maintenance providers.

Some air carriers have done a good job communicating the basic work instructions that must be followed by the contractor when performing maintenance and alterations. This is generally contained in a PO, but it is inadequate for addressing policy and procedural issues. However, the parties do not often have as clear an understanding of the applicable requirements in the administrative and quasi-technical areas. These include, but are not limited to, handling deviations from the work instructions, substitution of parts, making equivalence determinations of tools and equipment, subcontracting (including the approved vendor list, drug and alcohol compliance, and the use of individually certificated personnel not employed by the maintenance contractor). This is where a contract, such as a GTA or an airworthiness agreement, comes into play.

There are a variety of issues that should be included in a contract between an operator and maintenance provider. These include sections on key regulatory definitions, location and scope of work, the controlling regulatory authority, certificates and ratings of the maintenance provider, coordination of service difficulty/malfunction defect reporting, voluntary disclosure, drug and alcohol compliance, information exchange, audits, and life limited parts. Most of these issues are important in any maintenance contract, regardless of the type of work being performed.

However, maintenance contracts are not created in a vacuum and ensuring that the parties' general regulatory expectations are clearly defined is not a "one size fits all" proposition. Therefore, contracts will vary depending on the type of work being performed, such as substantial maintenance, line maintenance, component maintenance, and specialized services.

The type and scope of maintenance contemplated affects the applicable sections of the operator's maintenance program and manual that must be flowed down to the maintenance provider. Because the amount of information that must be exchanged is directly proportional to the scope and type of work, the contract should cover the specific information needed in each kind of maintenance relationship.

The contract should set forth the specific provisions of the operator's GMM or similar document that will apply to the work performed. It should specify the sections of the GMM that apply in each maintenance setting (i.e., substantial, component, line, or specialized service). Because most GMMs are designed for in-house work, some revisions are often necessary to ensure that they adequately address the specific work being performed by a contractor. ARSA believes it is in the interests of safety for repair stations to follow their own procedures to the maximum feasible extent since this promotes standardization and uniformity. However, this requires the appropriate authorization from the air carrier under § 145.205, which can occur if the GMM signs off based on the carrier's evaluation of the repair station's procedures.

The objective is to ensure that the parties have a clear understanding about how they will handle the various regulatory situations that will undoubtedly arise during the course of their relationship. As you can see, there is

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large amount and variety of information that should make its way into a maintenance contract. It therefore becomes extremely important to ensure your repair station maintains these contracts for each carrier and each job it performs in order to record its compliance with the regulations (see § 145.205).

### **Sub-contractor records**

For the same reasons, it is important for a repair station to maintain records on its contractual obligations with each air carrier, and to record all contracts and capabilities of each sub-contractor the facility utilizes.

Under §§ 145.51 and 145.217, the FAA approves a list of all maintenance functions obtained by contract. Although the approved list of maintenance functions (and the facilities that will perform these functions) does **not** have to be included in the repair station manual, this information will have to be “made available” to the FAA. Therefore, a repair station must maintain records of the maintenance functions along with the name of each outside facility to which the work will be contracted and the type of certificate and ratings (if any) held by that facility.

When work is contracted to a non-certificated facility there are additional requirements to meet. Under § 145.217(b)(1) the non-certificated person must follow a quality control system equivalent to that used by the certificated facility. An audit can be accomplished and the results recorded to both qualify the non-certificated source initially and ensure its continued adherence to required quality standards. However, the repair station remains directly in charge of the work and must verify, by inspections and/or tests, that the work was performed properly.

Section 145.223 imposes additional restrictions on a repair station’s ability to use non-certificated sources. First, it states that the contract must include a provision that the FAA can inspect the non-certificated facility and observe the performance of its work. If the non-certificated facility refuses to allow the agency to conduct an inspection, the repair station cannot approve the article for return to service. Therefore, it is imperative to record the inspection requirement in every contract with a non-certificated facility and keep the contract handy to enforce compliance.

As was the case with air carriers, the contracts a repair station enters into carry significant weight in establishing the ground rules for the relationship. What may seem like a simple business agreement is also a key element in ensuring regulatory compliance.

## ***ARSA on the Hill***

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

In May, ARSA’s legislation team continued implementation of the “lift the ban” lobbying effort and working with congressional leaders so legislation is ready for introduction by June 14. Don’t forget to watch the countdown to when the Office of Management & Budget’s mandatory review period concludes by visiting <http://arsa.org/arsa-launches-repair-station-security-rule-countdown-clock/>.

With the release of the DOT Inspector General’s report on FAA repair station oversight, the legislative team proactively reached out to key allies on Capitol Hill to ensure the analysis wasn’t being misconstrued by lawmakers.

Did you miss the legislative process webinar offering participants a basic primer on the lawmaking process? If so, [click here](#) for more information.

The Association has revamped its Government Affairs Committee. Stay tuned for details about the new and improved volunteer group of dedicated ARSA members committed to furthering the industry’s impact on the policymaking process.

Is your ARSA PAC solicitation consent updated? Visit <http://arsa.org/about-arsa-pac/> to ensure it is.

## ***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/>.

### **ARSA Members Getting Members Program**

There is no better advertisement than a satisfied member, and members are the best people to get others to join. [Click here](#) for information on how to get another company to join ARSA and **save on your membership**.

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

ARSA Champions are members who help actively promote the Association and its activities, and work to get other companies to join. By providing informational brochures at trade shows and industry meetings, ARSA Champions ensure we obtain the support to provide even more and better services.

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## ***Quality Time***

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

### ***Legal Waypoints***

## **Liquidated Damages – A Remedy for Breach of Contract**

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.*

In the context of commercial contracts the term “liquidation” means to fix or establish the damages owed in the event of a breach of contract. Rather than add the calculation of the dollar amount of damages for breach to a list of items in dispute, a carefully drafted liquidated damages (“LDs”) provision can establish the dollar damages for breach at the outset of the relationship. The law on the enforceability of LDs varies slightly from state to state, but the general rules are well settled and fairly easy to implement. Using a well-crafted LD provision in a contract can offer benefits to both parties as they allocate particular transaction risks.

For sellers of goods, the Uniform Commercial Code (“UCC”) provides a simple basis for recovery of liquidated damages as a remedy for breach of contract:



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### **UCC § 2-718. Liquidation or Limitation of Damages; Deposits.**

*(1) Damages for breach by either party may be liquidated in the agreement but only at an amount which is reasonable in the light of the anticipated or actual harm caused by the breach, the difficulties of proof of loss, and the inconvenience or nonfeasibility of otherwise obtaining an adequate remedy. A term fixing unreasonably large liquidated damages is void as a penalty.*

Note, this section of Article 2 above is not an actual liquidated damages provision but rather it serves as a basis for enforceability in sales contracts. Most states have adopted versions of the UCC Article 2 for application within their jurisdiction. The UCC provision sets forth elements that are typically considered when actual LD provisions are litigated to determine intent and enforceability.

Likewise the Restatement (Second) of Contracts Section 356(1) also provides a basis for LDs as a remedy in breach of contract cases in the event the UCC does not apply:

### **§ 356. Liquidated Damages and Penalties**

*(1) Damages for breach by either party may be liquidated in the agreement but only at an amount that is reasonable in the light of the anticipated or actual loss caused by the breach and the difficulties of proof of loss. A term fixing unreasonably large liquidated damages is unenforceable on grounds of public policy as a penalty.*

Both the UCC and the Restatement seek to serve the goal of allowing the parties to stipulate damages for breach at the time of contracting to save the time of the courts and the parties in the event of litigation, thereby reducing the cost of resolving disputes. This is especially true where the damages are small and best resolved by the parties. The parties should be free to negotiate fair compensation for a breach so long as the remedy does not become punitive in nature, crossing the line into an unenforceable penalty.

In most instances, an LD provision will be upheld if the damages would be:

- Uncertain as to amount and difficult to prove;
- Not unconscionable and disproportionate in amount as related to reasonable intentions of the parties; and
- Consistent with conclusion that the parties intended damages in such amount would follow a breach.

The following is a sample provision that may be appropriate for use as a basis for developing a contract specific remedy:

*“The parties acknowledge that given the uncertainty they anticipate associated with the ability to calculate the buyer’s damages for the seller’s failure to deliver the goods in accordance with the schedule, the amount stipulated herein as liquidated damages is a good faith estimate of reasonable compensation for the damages resulting from late delivery and that such liquidated damages are not intended, and shall not be construed, as a penalty.”*

Note: The sample provision above is for illustration purposes only and is not intended as legal advice.

## **Employment Law & Repair Stations**

Look for Jonathan Yarbrough’s series to resume with the June 2013 issue. If members or readers have specific concerns about employment law, Mr. Yarbrough may be contacted via email at [Jonathan W. Yarbrough](mailto:Jonathan.W.Yarbrough) to answer questions.



## Membership

### Member Spotlight

#### Liebherr-Aerospace, Saline, Mich.

Liebherr-Aerospace Saline Ltd, located in Saline, Mich., provides a full range of repair and customer support services to aircraft operators based in the Americas.

Liebherr supplies aircraft air management, flight, actuation, hydraulic, and landing gear systems for commercial transport aircraft, commuter and regional aircraft, business jets, fighter jets, military transport, and trainer aircraft, as well as civil and military helicopters.

Liebherr-Aerospace provides a complete OEM Customer Service based on a global network with repair and overhaul services, engineering support, documentation, and spare parts, as well as AOG service.

Liebherr-Aerospace in Saline has been an active ARSA member and participant in the government affairs efforts, including hosting Rep. Tim Walberg, R-Mich., for a facility visit last Congress.

For more information, visit [http://www.liebherr.us/AE/en-GB/default\\_us-ae.wfw](http://www.liebherr.us/AE/en-GB/default_us-ae.wfw)

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

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## ***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 Calvin Scovel, III, inspector general for the U.S. Department of Transportation (DOT).



Calvin L. Scovel III was sworn in on Oct. 26, 2006, as the sixth inspector general of the U.S. Department of Transportation.

Scovel joined the DOT after 29 years of active service in the U.S. Marine Corps, from which he retired as a brigadier general. His last military assignment was as a senior judge on the U.S. Navy-Marine Corps Court of Criminal Appeals. Scovel previously served as assistant judge advocate general of the Navy for military justice, the principal advisor to the Secretary of the Navy, and the judge advocate general on all criminal justice policy matters. He also commanded a military police battalion that provided security and law enforcement for Marine Corps Base, Quantico, Va.

Scovel served as senior legal advisor for the 4th Marine Expeditionary Brigade, which included all Marine amphibious forces in Operation Desert Storm and later in a NATO exercise above the Arctic Circle in Norway. He had previously served as legal advisor for a Marine amphibious unit deployed to the Western Pacific and Indian Oceans, where it conducted exercises in Hawaii, Japan, the Philippines, Kenya, and Australia.

A Marine judge advocate, Scovel served as prosecutor, defense counsel, or judge in 250 courts-martial that included charges of murder, rape, child sexual assault, and drug trafficking.

As an adjunct faculty member for the Defense Institute of International Legal Studies, Scovel led instruction teams in the rule of law and civilian control of the military for senior civilian and military officials in Honduras, Mauritius, Albania, and Serbia. His military awards include the Legion of Merit (four awards) and Combat Action Ribbon. Scovel was also in the Pentagon on Sept. 11, 2001.

Scovel received his bachelor's degree from the University of North Carolina at Chapel Hill and his Juris Doctor degree from Duke University School of Law. He also received a master's degree from the Naval War College.

Scovel is married and has two sons.

## ***A Member Asked***

**Q:** We are having a dispute regarding language in 43.2 "Records of Overhaul and Rebuilding." Some on our team want to write a contract so we can "overhaul" an article using only the language defined under (a) without regard for data defined in (2) requiring that it has been tested. I believe the contracts should satisfy both (a)(1) and (a)(2), however, I understand that industry prefers to just use the definition in (1).

(a) No person may describe in any required maintenance entry or form an aircraft, airframe, aircraft engine, propeller, appliance, or component part as being overhauled unless—

(1) Using methods, techniques, and practices acceptable to the Administrator, it has been disassembled, cleaned, inspected, repaired as necessary, and reassembled; and

(2) It has been tested in accordance with approved standards and technical data, or in accordance with current standards and technical data acceptable to the Administrator, which have been developed and documented by the holder of the type certificate, supplemental type certificate or a material, part, process or appliance approval under part 21 of this Chapter.

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**A:** The legal interpretation indicates that each step in (a)(1) need not be taken to use the term “overhauled” in a maintenance record. The bottom line is that the greatest extent of work possible must have been accomplished on the article being maintained. If that is a piece part, it need not be “disassembled,” since it already is; the same with reassembly. The AFS-300 memorandum clearly states to use the methods, techniques, and practices required by a manufacturer’s maintenance document to accomplish the greatest scope of work. The interpretation for (a)(2) indicates that testing may not be necessary; the letter from AFS-300 indicates that if a test is required, it must be done in accordance with a manufacturer’s maintenance manual (“approved data”) or by an approved process (such as a repair specification).

## **Check Out ARSA’s Library of Recorded Webinars and Online Training Classes**

ARSA is pleased to announce that recorded online training classes and webinars are now available for member purchase. Check back often as courses will be continually added. The association will resume live, weekly webinars June 5. The next webinar, titled “[Major/Minor Primer](#),” will feature [Sarah MacLeod](#), managing member, Obadal, Filler, MacLeod & Klein, and executive director, ARSA.

Register for classes at <http://arsa.org/training-2/online-training/>

## **Get 10% Off on Membership Dues by Utilizing ARSA’s Members Getting Members Program**

The best form of advertising is word of mouth. Use the [Members Getting Members Toolkit](#) to recruit an ARSA member and your company will receive a discounted membership rate for your next membership term. Get more information at <http://arsa.org/membership/members-getting-members/>

## **Advertise Today in ARSA’s Newsletters and Website!**

ARSA recently updated its menu of advertising opportunities for [arsa.org](#), ***the hotline*** and the *ARSA Dispatch*. Take advantage of these great opportunities today to showcase your company, a new product or event. For more information go to <http://arsa.org/advertise/>

## **Interested in exhibiting or sponsoring the 2014 Repair Symposium?**

As the maintenance industry’s top event devoted exclusively to regulatory compliance, the ARSA Symposium attracts a highly qualified professional audience. Use this opportunity to promote your company while showing support for ARSA. All exhibitors and sponsors receive recognition on ARSA’s website, in the hotline, weekly email bulletins, attendee materials and video intermission material.

ARSA is happy to offer exhibitors associated with the aviation maintenance industry the opportunity to showcase their product and/or service at the 2014 Symposium. Exhibit space includes a 6’ skirted table, two chairs, a sign with your company name, and an electrical outlet (if needed). Cost for exhibitors is \$1,000. For further information on exhibiting please contact [Jennifer Goodwin](#).

Sponsors also have a variety of outstanding options to support the 2014 Repair Symposium including the popular icebreaker session, lanyards, room keys and much, much more. Sponsors receive one complimentary registration per \$5,000 sponsorship.

Get more information at <http://arsa.org/news-media/events/arsa-annual-repair-symposium-sponsorship/>

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## **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.

[Aviation Company Expanding at Airport](#) (*The Telegraph*)

[AAR Holds Career Fair in Fort Worth to Tap Experienced Aircraft Mechanics](#) (*Aviation Pros*)

[Aircraft Technician School in Hagerstown, Maryland Opens Expanded Campus at Airport](#) (*Washington Post*)

[Gulfstream Aerospace Corp. Opens New Maintenance Hangar at Barnes Regional Airport in Westfield](#) (*The Republican*)

[FedEx Donates Jet to Aviation Technology](#) (*Laney Tower*)

[Midair S.A. to Establish \\$28 Million Maintenance Facility at Melbourne, Florida International Airport](#) (*Area Development*)

[Colorado Passes Tax Credit Bill that Helps MROs](#) (*Aviation Pros*)

[Vector Aerospace Announces Multimillion Dollar Expansion at its Andalusia, Alabama Facility](#) (*Aviation Pros*)

[West Star Aviation to Expand Current Full-Service MRO Facilities](#) (*DOM*)

[Bombardier Expands Maintenance Capacity for Commercial Aircraft at its Largest Service Center in Tucson, Arizona](#) (*Aviation Pros*)



**component control**

Component Control, based in San Diego, is a leading developer and provider of MRO and Logistics Software solutions for the aviation industry. Its core product, Quantum Control, provides advanced aviation management support to original equipment manufacturers, aftermarket service divisions, component repair and overhaul

companies, fixed base operators, aircraft completion centers, airlines, MRO facilities and part distribution / redistribution companies. Quantum is installed in over 50 countries and can be deployed as a single-site or multinational solution.

For more information, [please click here!](#)

## **International News**

### **West Africa Considers Launching Aviation Maintenance Operation**

The Economic Community of West Africa Nations (ECOWAS), made up of fifteen countries, recently began studying the feasibility of establishing an aviation maintenance, repair, and overhaul (MRO) facility for aircraft in the region. The new enterprise would allow airlines to keep maintenance costs lower since they would no longer have to outsource repairs to Europe and the United States.

## ***the hotline***

ECOWAS working groups are researching potential locations for the new facility, what its operational capacity would be, how the intergovernmental organization could integrate various regional airlines, and ways to harmonize regulations to facility growth in the aviation industry.

The maintenance facility would be funded by the African Development Bank, which has already directed experts to review past studies on building an MRO in the region.

ECOWAS members include Benin, Burkina Faso, Cape Verde, Gambia, Ghana, Guinea, Guinea-Bissau, Ivory Coast, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, and Togo.

## ***International Roundup***

To provide more international coverage, ARSA presents a monthly roundup of world events pertaining to the industry.

[Gulfstream Continues to Expand Support in Europe](#) (*AIN Online*)

[AMAC Expands Maintenance Capabilities](#) (*AIN Online*)

[World Commercial Aircraft MRO Market to Reach \\$49.2 Billion this Year, According to Visiongain](#) (*Avionics Intelligence*)

[AMAC Aerospace Gains Brazilian Certification for Maintenance](#) (*Corporate Jet Investor*)

[Global Aviation Services Eyes GCC Expansion](#) (*Trade Arabia*)



### **ARSA Members: Benefit from Staples Business Advantage**

- Competitive pricing on f the products and services you use
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- Greater control and visibility of your company's spend
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## ***Welcome New Members***

[BD Aero Works](#), Whitehouse, OH

[Cherry Capital](#), Traverse City, MI

[Cal-Draulics](#), Corona, CA

[DFW Instrument Corporation](#), Addison, TX

### **Upcoming Events**

- [2013 EASA/FAA International Aviation Safety Conference](#) — June 12-14, 2013 — Paris, France

# ARSA Regulatory Compliance Training: Questions

Part 1: General comprehension

Level 1: For anyone working in aviation

## § 145.5: Certificate and operations specifications requirements.

- (a) No person may operate as a certificated repair station without, or in violation of, a repair station certificate, ratings, or operations specifications issued under this part.
- (b) The certificate and operations specifications issued to a certificated repair station must be available on the premises for inspection by the public and the FAA.

<b>Question 1:</b> In order to operate as a certified repair station, one must not be in violation of appropriate ratings for the types of aircraft he/she services.	<b>Question 2:</b> A repair station's certificate and operations specifications are open to both the public and the FAA for inspection.
A—True. B—False.	A—True. B—False.

<b>Question 3:</b> According to the federal code above, a repair station does not need to have its certificate on its premises.	<b>Question 4:</b> It is permissible to operate without a repair station certificate under part 145
A—True. B—False.	A—True. B—False.

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

Score \_\_\_\_\_ Hours \_\_\_\_\_  
 Enter as x (number correct) of y (number of questions) Time Credited for Test

Approved by \_\_\_\_\_  
 Signature of Supervisor or Person Administering Test

# ARSA Regulatory Compliance Training: Answers

Correct answers are in **bold**

Part 1: General Comprehension

Level 1: For anyone working in aviation

## § 145.5: Certificate and operations specifications requirements.

- (a) No person may operate as a certificated repair station without, or in violation of, a repair station certificate, ratings, or operations specifications issued under this part.
- (b) The certificate and operations specifications issued to a certificated repair station must be available on the premises for inspection by the public and the FAA.

<p><b>Question 1:</b> In order to operate as a certified repair station, one must not be in violation of appropriate ratings for the types of aircraft he/she services.</p>	<p><b>Question 2:</b> A repair station's certificate and operations specifications are open to both the public and the FAA for inspection.</p>
<p><b>A—True (Correct answer: One must have all the applicable ratings to perform maintenance on a given aircraft)</b></p> <p>B—False.</p>	<p><b>A—True. (Correct answer: Both the public and the FAA are permitted to inspect a repair station's certificate)</b></p> <p>B—False.</p>
<p><b>Question 3:</b> According to the federal code above, a repair station does not need to have its certificate on its premises.</p>	<p><b>Question 4:</b> It is permissible to operate without a repair station certificate under part 145</p>
<p>A—True.</p> <p><b>B—False. (Correct answer: A repair station is required to have its certificate on premises)</b></p>	<p>A—True.</p> <p><b>B—False. (Correct answer: It is against federal regulations to operate a part 145 repair station without, or in violation of, a current certificate)</b></p>