

Aeronautical Repair Station Association

the hotline

November 30, 2011

Alexandria, VA

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Sarah Says

It Was Worth Every Penny...

By Daniel Fisher, ARSA Vice President of Legislative Affairs

Last year, ARSA's Board of Directors raised the Association's membership dues effective in 2011. The modest increase was dedicated to the "ramp up" of ARSA's legislative program. It was time for the aviation maintenance industry to play offense on Capitol Hill, rather than crouching defensively waiting for bad legislation to emerge.

Almost immediately, ARSA members saw a huge return on their investment. Following an intense lobbying effort, the House approved the FAA Air Transportation Modernization & Safety Improvement Act (HR 658), which reflected ARSA's suggested improvements to the foreign repair station and noncertificated maintenance provisions. The legislation is a major improvement over legislative proposals from the last Congress and strikes the right balance between safety, oversight, and operational freedom.

Even after such a giant accomplishment, ARSA didn't let up. Armed with dozens of grassroots letters, the legislative team urged the Senate to adopt the House-approved maintenance provisions; all indications are that our message is getting through.

Over the summer, ARSA launched its "keep it clean" effort to push lawmakers to either reauthorize the FAA or keep routine continuations of agency authority free from policy, pork, and politics. Congress heeded the Association's advice when it approved a four month "clean" extension through Jan. 31, 2012.

Another example of the Association's offensive posture is the "lift the ban" campaign. Rather than waiting for the Transportation Security Administration (TSA) to finalize repair station security rules so the FAA can once again certificate new foreign repair stations, ARSA believes that Congress must immediately lift the ban. The industry has been penalized long enough and TSA's inaction is hindering growth and job creation ([see related story](#)).

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ARSA recently scored a major victory when Congress repealed the three percent government contractor withholding tax that was scheduled to take effect in 2013.

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Sarah Says, continued

While aviation policy has been ARSA's primary focus, the Association has also been involved in lobbying efforts to promote pro-growth tax policies. In fact, ARSA recently scored a major victory when Congress repealed the three percent government contractor withholding tax that was scheduled to take effect in 2013 ([see related story](#)). Scrapping the withholding tax and saving ARSA members doing business with the government from making an interest free loan to the U.S. Treasury has been one of the Association's top legislative priorities since the tax's inception in 2005.

This is just a snapshot of what you got for your increased investment in ARSA this year. Remember, ARSA is the only association solely focused on the interests of certificated repair stations and your involvement in our legislative program is the key to our success. Participate in our [grassroots alerts](#). Attend [Legislative Day](#). Join the ARSA Government Affairs Committee. Host a [facility visit](#) for your lawmakers. We are standing by to make it easy for you to get involved.

Legal Briefs

FAA/DOT Drug and Alcohol Testing: Catch and Release?

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

As one becomes more familiar with regulations pertaining to a certain subject, there is a natural tendency to assume the outcome under those rules for a specific situation – essentially, an assumption of what you expect to find. Although having prior knowledge makes it much easier to navigate the “normal” aviation rules, it can lead to false conclusions in the complex realm of Department of Transportation (DOT) drug and alcohol testing regulations. A recent conversation with an ARSA member provides a perfect example.

The discussion involved an employee that had been terminated under company policy after receiving a verified positive result on a DOT drug test. After he was fired, the former employee filed for unemployment compensation with the relevant state agency. The member's questions arose from the subsequent state agency process, which requested laboratory drug test results if that test was the reason for termination. Being familiar with the need to get an employee's written consent before obtaining DOT drug and alcohol testing records from previous employers (49 CFR § 40.25), the employer said that of course they couldn't provide the information, right? After all, the administrative provisions in the FAA rules state that employee drug and alcohol testing information is released in accordance with the DOT rules (14 CFR §§ 120.111(c) and 120.219(c)(1)), so the individual's written consent is required, right? Well, not exactly.

Partly due to the question and answer format, but mostly because of their length and complexity, the DOT procedural rules (49 CFR part 40) can be difficult to navigate. As a result, the subpart toward the “end” of the huge regulation that is dedicated to confidentiality and release of information (subpart P) is easily missed. Although the general rule is that a service agent or employer is prohibited from releasing individual test results to third parties without an employee's specific written consent (49 CFR § 40.321), there are exceptions. Particularly as it applies to the example in this case,



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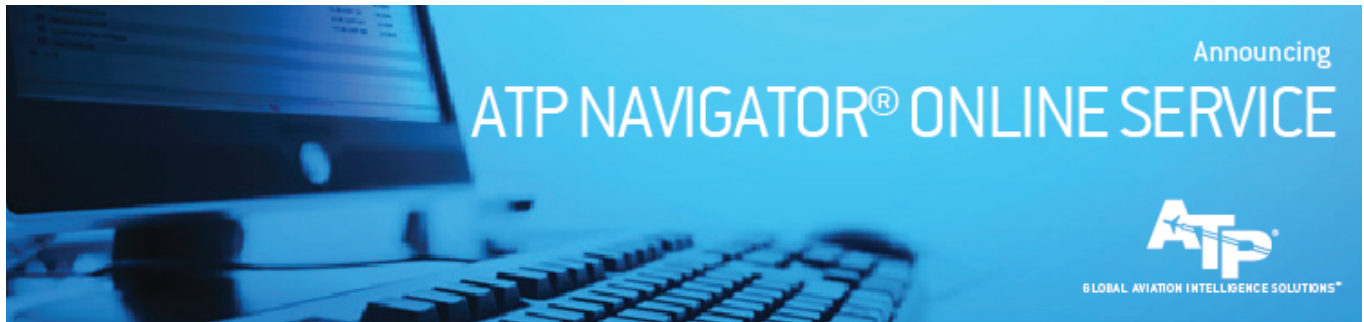
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Legal Briefs, continued

an employer can release such information without written consent in an unemployment compensation hearing brought by an employee as a result of a positive DOT drug test (49 CFR § 40.323(a)(1)). Additional scenarios include a lawsuit (e.g., wrongful discharge), grievance (e.g., arbitration concerning disciplinary action) and criminal or civil actions if a court of competent jurisdiction determines that such information is relevant and issues an order to the employer for production. In any case, the employer must only release the information to the decision maker in the proceeding with a binding stipulation that it will only be made available to parties in the proceeding (49 CFR § 40.323(b)), and the individual must be notified in writing of the release (49 CFR § 40.323(d)).

The moral to the story: read the rules. And, however painful it may be when drug and alcohol testing is involved, the entire regulation has to be reviewed for each specific situation.

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Final Documents/Your Two Cents

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

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

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

A Member Asked

By Sarah MacLeod, ARSA Executive Director

Q: Does ARSA offer a contract maintenance vendor audit, or checklist form?

A: ARSA offers a host of forms that are free to members (more information at <http://www.arsa.org/node/484>), including documents for developing and obtaining approval for maintenance functions and vendor lists and an "Audit and Action" form to record audit findings and corrective action. However, it does not include a specific checklist for vendor audits.

As you are likely aware, [14 CFR §§ 145.209\(h\)\(2\)](#) and [145.217\(a\)\(2\)\(ii\) and \(b\)](#) require repair stations to keep a list of the maintenance vendors or contractors that perform FAA-approved maintenance functions. For non-certificated repair stations, Advisory Circular (AC) 145-9 notes that the repair station should establish procedures to survey the contractor. Particularly, the repair station manual should describe how the non-FAA-certificated facility is initially qualified. It also should describe how the repair station ensures that the non-FAA-certificated facility continues to follow the quality control program for the work being performed on the repair station's behalf. Thus, an alternative to a formal audit program would be to adopt the following policy (or something similar) in your repair station and quality manuals—

"Non-certificated contractors are required to have a quality control system that ensures the vendor has the housing, facilities, equipment, materials, qualified personnel and data necessary to accomplish the specific work requested by the repair station. Additionally, the non-certificated source must allow for FAA inspection during the time it is performing work on behalf of this repair station. This repair station will remain directly in charge of the work performed by non-certificated facilities.

Purchase orders will describe the requested maintenance function, including the data to be used and instructions necessary to ensure the outside source will perform the requested function. They will also state that this repair station shall remain directly in charge of the work being performed.

Any work performed by an outside agency for this repair station will be inspected to verify that the work was accomplished in the manner requested by the purchase order and equivalent to this repair station's standards. A thorough review will be made of the maintenance record or certificate of conformity to ensure it adequately describes the work performed and/or references the document used to perform the work. If the work was performed by an FAA repair station, the maintenance record accompanying the article must comply with applicable [14 CFR § 43.9](#).

Purchase of maintained parts from another repair station (including exchanges) and using another certificated repair station to perform work that is outside the this repair station's ratings are not maintenance functions requiring FAA approval. These are instances where this repair station is not exercising the privileges of its certificate."

Quality Time

Drug & Alcohol Testing

FAA Establishes 2012 Drug and Alcohol Testing Percentage

The FAA has set the minimum random drug and alcohol testing percentage rates for 2012.

According to a Dec. 1 [announcement](#) in the Federal Register, employers subject to FAA testing requirements must randomly administer drug tests to 25 percent of safety sensitive employees. For alcohol screening, employers must randomly select 10 percent of their employees engaged in safety sensitive functions.

The rates for 2012 are the same rates required for 2011. The unchanged percentage is a result of the aviation industry's strong record of passing toxicology screens. The FAA Administrator makes decisions to raise levels on the percentage of failure in the prior year's testing pool. If the percentage of failure exceeds 1 percent for drug testing or .50 percent for alcohol testing, the Administrator may raise rates. In 2010, the violation rate for alcohol testing .11 percent and .503 percent for drug testing.

More information about industry drug and alcohol testing is available on the FAA's [website](#).

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Employment Law & Repair Stations

All About Association Discrimination

By Jonathan W. Yarbrough <jyarbrough@constangy.com>. Constangy, Brooks & Smith, LLC, 80 Peachtree Rd., Ste. 208, Asheville, NC 28803-3160. © Copyright 2011 Jonathan W. Yarbrough ALL RIGHTS RESERVED

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

When John received a charge of discrimination from the EEOC he was confused. The charge was filed by a former employee who alleged that John had fired him in violation of the Americans with Disabilities Act. The problem was that the employee was the perfect specimen of health. As John read on he discovered that it wasn't about the employee's disability at all. It was his wife's disability and she was never even an employee! How could this be?

What is Association Discrimination?

The Americans with Disabilities Act ("ADA"), amended as the Americans with Disabilities Act Amendments Act ("ADAAA") provides that it shall be discriminatory to "exclude ... or otherwise deny... equal jobs or benefits to a qualified individual because of the known disability of an individual with whom the qualified individual is known to have a relationship or association."

How does an employee prove Association Discrimination?

In order to establish a case of association discrimination, the employee must show that (1) s/he was qualified for the job at the time of the adverse employment action; (2) s/he was subject to adverse employment action; (3) s/he was known by the employer at the time of the adverse action to have a relative or associate with a disability; and (4) the adverse employment action occurred under circumstances raising a reasonable likelihood that the disability of the relative or associate was a determining factor in the employer's decision. An adverse employment action includes, for example, a failure to hire, demote with a reduction in pay, or terminate an employee.

What situations would qualify as evidence of Association Discrimination?

Courts have relied on three theories into which employees asserting association discrimination generally fall. These include (1) expense; (2) disability by association; and (3) distraction.

The **expense** theory covers situations where an employee suffers an adverse employment action because of his/her association with a disabled individual covered under the employer's health plan, which is costly to the employer.

The **disability association** theory covers two related situations. Either the employer fears that the employee may contract the disability of the person he/she is association with, or the employee is genetically predisposed to develop a disability that his/her relatives have. Note here that this situation is also prohibited by the Genetic Information Nondiscrimination Act (GINA) enacted in 2008.

Finally the **distraction** theory is based on an employee's inattention to work because someone with whom the employee is associated has a disability.

Who is covered by the Association Discrimination provision of the ADA?

Any employer with 15 or more employees is covered under the association discrimination section of the ADA. The employee may be disabled or non-disabled. Note, however, that employers are **not required** to provide reasonable accommodations to non-disabled workers under this section of the Act. That is, an employee is not entitled to a modified work schedule to allow him/her to care for a disabled family member.

For example, the legislative history of this section explains: "Assume, for example that an applicant applies for a job and discloses to the employer that his or her spouse has a disability. The employer believes that applicant is qualified for the job. The employer, however, assuming without foundation that the applicant will have to miss work or frequently leave work early or both, in order to care for his or her spouse, declines to hire the individual for such reason. Such a refusal is prohibited by this subparagraph.

In contrast, assume that the employer hires the applicant. If he or she violates a neutral employer policy concerning attendance or tardiness, he or she may be dismissed even if the reason for the absence or tardiness is to care for the spouse. The employer need not provide any accommodation to the nondisabled employee."

Courts have most often rejected an allegation of association discrimination where the employer knew of the employee's association with a disabled individual for a significant period of time prior to taking an adverse employment action. Likewise, association discrimination cases fail if the employer asserts a legitimate nondiscriminatory reason for the adverse employment action based, for example, on poor performance or a violation of a company policy.

Support ARSA's Positive Publicity Campaign

Contract maintenance is under assault in the media, with bad press having negative political consequences. ARSA is working to get out the facts about the industry: Repair stations make air travel safer, air carriers more efficient, and important economic contributions. Our Positive Publicity Campaign, PPC, needs your support.

Through the PPC, ARSA has already:

- Analyzed public perceptions of contract maintenance;
- Quantified the industry's global economic impact and positive U.S. balance of trade; and
- Determined the industry's state-by-state employment footprint

As the campaign moves forward, the PPC will continue to highlight the benefits of contract maintenance for global civil aviation. The campaign's next steps will significantly enhance the Association's public relations capabilities by adding new staff, institutionalizing economic research, more aggressively monitoring and responding to media coverage, regularizing media outreach, developing model PR procedures for the industry, and coordinating media and communications trainings on behalf of the repair station community.

However, for your Association to be successful, we need YOUR help. Please consider pledging your support to the PPC today and join the ranks of industry leaders already backing ARSA's ambitious agenda for the industry.

[Click here for more details about the PPC](#), or email questions to [Jason Langford](#), ARSA's communications manager. Pledge your financial support [here](#).

ARSA Action

ARSA Tells Congress to Complete FAA Reauthorization Bill

The uncertainty created by Congress' failure to pass a new, multiyear reauthorization bill for the Federal Aviation Administration (FAA) is wreaking havoc on the aviation industry and undermining the competitiveness of American aviation maintenance, ARSA told House and Senate leadership.

"While the country desperately needs the predictability of a new FAA law, Congress must also ensure that the final legislation does not detrimentally impact the thousands of facilities in communities throughout the country

that provide aviation maintenance services,” ARSA Executive Vice President Christian Klein said in a Dec. 1 [letter](#) to members of the House and Senate.

ARSA’s letter follows a renewed sense of urgency on Capitol Hill for completion of a new, long-term reauthorization measure before the latest extension’s Jan. 31, 2012 expiration. Discussions aimed at resolving the differences between the House and Senate –passed bills ([H.R. 658](#) and [S. 223](#)) are heating up with Senate Majority Leader Harry Reid (D-NV) and House Speaker John Boehner (R-OH) becoming directly involved in the process.

Word on the Hill is that several outstanding matters have been resolved, with the provision changing how the National Mediation Board counts the results of union elections lingering as the most controversial issue. Stay tuned to ***the hotline*** for the latest developments.

Be sure to add your voice to those calling for the protection of the maintenance industry in a final FAA bill by visiting [ARSAaction.org](#).

ARSA Encourages Senate, Homeland Security, and TSA to “Lift the Ban”

ARSA has been aggressively campaigning to “Lift the Ban” on the congressional imposed prohibition of new FAA certifications for foreign repair stations, urging Congress and executive agencies to remove the ban.

In a [Nov.2 letter](#) to the Senate Homeland Security & Government Affairs Committee, ARSA Vice President of Legislative Affairs, Daniel Fisher, urged senators to repeal the ban and again allow the FAA to certificate new repair stations.

Sent to the committee in conjunction with the TSA oversight hearing, “Ten Years After 9/11: The Next Wave of Aviation Security,” ARSA’s letter highlighted the consequences of the TSA’s inability to issue timely repair station security rules. Citing ARSA’s [recent survey](#) of aviation maintenance leaders that revealed the ban is costing U.S. repair stations at least \$18 million in lost revenue, ARSA warned that American aviation companies are being punished because of the federal agency’s inaction, a dangerous precedent.

ARSA also joined industry allies on a [Nov. 22 letter](#) to Department of Homeland Security Secretary Janet Napolitano, whose department oversees the TSA, urging the completion of the security rules by Dec. 31.

“The publication of a final rule will enhance security and also remove a regulatory roadblock that is currently damaging American companies,” the letter to Napolitano said.

The Association went a step further in its [own request](#) to TSA Administrator John Pistole. In a Nov. 22 letter, ARSA again highlighted the results of its survey on the ban’s harms. The Association emphasized that if the TSA is unable to finalize repair station security rules by the end of the year, the agency must work with Congress to lift the ban on foreign repair station certificates.

ARSA Lunches with Tulsa MRO Community

On Nov. 9, ARSA hosted a gathering in Tulsa, OK for members and others interested in the Association’s activities.

At a lunch at Tulsa’s Polo Grill, ARSA’s Vice President of Legislative Affairs Daniel Fisher briefed industry attendees about ARSA’s efforts and issues confronting the aviation maintenance industry in Washington. Fisher highlighted the Association’s efforts to [lift the ban](#) on FAA certification of foreign repair stations, to protect the maintenance industry’s interests in the [FAA reauthorization debate](#), and to expand the capacity and capabilities of the [Positive Publicity Campaign](#). In addition to the member lunch, Fisher also toured NORDAM’s Repair Division. Earlier in the week, Fisher visited AAR’s Oklahoma City facility.



ARSA’s VP of Legislative Affairs Daniel Fisher at AAR’s Oklahoma City Facility

The meeting is part of the Association’s efforts to expand its outreach to the aviation maintenance community beyond the Capital Beltway. This is the third event hosted by ARSA this year, having already held meetings in Seattle and Miami.

As the Association continues to grow, it hopes to become increasingly engaged with industry outside the confines of Washington. Stay tuned for news of ARSA's travels in 2012.

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ARSA Requests MAG Clarification

ARSA recently asked the Joint Maintenance Coordination Board (JMCB) to consider a number of revisions to the Maintenance Annex Guidance (MAG), which implements the maintenance provisions in the bilateral aviation safety agreement (BASA) between the U.S. and the EU.

In the letter, ARSA asked that the JMCB edit certain language regarding human factors training and eliminate confusing Airworthiness Directive procedures within the MAG. Additionally, ARSA encouraged EASA to revisit its response to ARSA's [April 2010 letter](#) on part tagging requirements for new and used components.

To view ARSA's letter [click here](#).

Dassault Gives ARSA Staff Tour

On Nov. 1, Dassault Aircraft Services welcomed ARSA staff to tour its repair station. Quality Assurance Manager Robert Kane showed off four hangar bays, a modern structural repair center, state-of-the-art paint shop, and FBO amenities.

ARSA staff truly enjoyed the opportunity to learn more about a member company and how repair stations operate in the "real world".

"The tour really helped illustrate the work members perform and gave me a better understanding of the day-to-day activities of repair facilities" said Josh Pudnos, ARSA's newest staff member.



Workers at Dassault's New Castle facility demonstrate their work on Dassault Falcon Jets for ARSA staff

Big thanks to employees at Dassault's New Castle facility for hosting an ARSA invasion!

ARSA PAC Ramps up in 2012

Contributing money to members of Congress, especially when done collectively, is an incredibly effective way to support the legislative goals of the aviation maintenance industry. That's why ARSA's Political Action Committee (PAC) is ramping up its political activism in anticipation of the 2012 election.

ARSA members are encouraged to find out more by [giving their consent](#) for ARSA staff to contact them about how to get more involved in the political process.

ARSA PAC can only accept support from owners and senior employees of ARSA member companies who give prior permission. Giving your consent does not bind you to anything; it merely allows us to discuss ARSA PAC initiatives with you.

For more information about these efforts, please contact ARSA Administrative Coordinator [Josh Pudnos](#).

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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-Themed High School Plans Big Expansion as Interest Grows](#) (Mlive.com)

[Aviation High fills Boeing Jobs](#) (Renton Reporter)

[MRO Market Review: Overhaul Optimism](#) (Air Transport World)

[StandardAero Environmental Management System OK'd](#) (Aviation International News)

[\\$12B Order for GE Aviation](#) (Cincinnati.com)

[Long Beach Airport to Hold Free Aviation Career Fair](#) (Long Beach Post)

[Revival for Airport Engine Testing Facility](#) (Pittsburgh Post-Gazette)

[Aircraft Repair Outfit Outgrowing Hopkins Space](#) (Crain's Cleveland Business)

[GA Has Positive Trade Balance for U.S.](#) (Aviation International News)

[GE Aviation Plant in Auburn Hopes to Create up to 400 Jobs](#) (The Columbus (GA) Ledger-Enquirer)

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Bills on the Hill

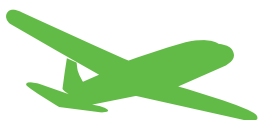
ARSA Scores Victory with Contractor Withholding Tax Repeal

ARSA scored another legislative victory as a bill ([H.R. 674](#)) to repeal the three percent government contractor withholding tax was signed into law by President Obama on Nov. 21.

Repealing the three percent withholding law has long been an ARSA legislative goal. Created by Sec. 511 of the 2006 Tax Increase Prevention Reconciliation Act, this onerous tax required government entities whose annual expenditures exceed \$100 million to withhold three percent of all payments made to any individual or company that provides goods or services to the government. The law effectively forced contractors to make interest-free loans to the federal government. In some cases, the amount would have exceeded a business' profit margin. The tax was set to go into effect at the end of 2013.

As an active member of the [Government Withholding Relief Coalition](#), ARSA has been working with more than 100 other organizations to encourage the law's repeal. A massive grassroots push over the summer built tremendous support for repeal in both chambers, with more than half of the House and a third of the Senate co-sponsoring repeal legislation.

Thanks to all ARSA members who helped show lawmakers the folly of this ill-conceived law using [ARSAaction.org](#) and by discussing the matter with lawmakers at [ARSA's Symposium](#) and local facility visits.



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Super Committee Failure Could Mean Cuts to FAA

The failure of the bipartisan congressional “super committee” to produce a plan for solving the nation’s fiscal and budgetary crisis will trigger a \$1.2 trillion across-the-board defense and non-defense discretionary spending cuts.

The spending roll back is set to begin in 2013 through a process known as sequestration. Though the exact impact of the process is unknown at this time; its effect will be far reaching.

Ranking member of the House Committee on Appropriations, Rep. Norm Dicks (D-WA), warned that the estimated \$39 billion in cuts to nondefense program discretionary appropriations could cost the Federal Aviation Administration (FAA) 525 technicians and more than 600 safety and aircraft certification inspectors. Such drastic cuts could congest the federal approval process for aviation repair stations.

The sequestration process creates a set of discretionary spending caps and triggers mandatory spending cuts spread over a nine-year period. In 2013, cuts will be made from all congressionally approved discretionary and mandatory spending. Beginning in 2014, discretionary caps will be lowered and spending will be cut from all categories not exempted by law (i.e., Social Security, Medicaid, veterans programs, refundable income tax credits, and programs with dedicated revenue streams such as the Airport and Airway Trust Fund).

The automatic cuts are required by the [Budget Control Act \(BCA\) of 2011](#), the deal reached earlier this year to raise the national debt ceiling. Under the law, House and Senate leadership appointed members to the super committee who were tasked to produce a plan containing at least \$1.2 trillion in cuts to the federal budget. The final compromise was to be voted on by both chambers. As an incentive for lawmakers to reach a deal, any failure to make the required cuts would result in the automatic reductions necessary to reach the goal.

While the super committee’s failure has triggered sequestration, it is unclear what, if any, impact the process will have. Many members of Congress have indicated their desire to avoid the cuts envisioned by sequestration by creating new laws to reduce or eliminate the impact of the BCA’s requirements.

ARSA will continue to remind Congress of how crucial an adequately funded FAA is to the aviation maintenance industry. Further reductions to the aviation inspector workforce could undermine the competitiveness of the U.S. aerospace industry. The threat of the cuts highlights the need for rapid congressional action on a long-term FAA funding bill.

Stay tuned for further developments on the sequestration process and the impact it will have on FAA funding.

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Depreciation Bonus Bills Introduced

On Nov. 15, two bills were introduced in the Senate to extend the depreciation bonus, which expires at the end of the year. Sen. Richard Lugar’s (R-IN) [bill \(S. 1873\)](#) would extend 100 percent bonus depreciation and increased Sec. 179 expensing levels for one year. Sens. Chris Coons (D-DE) and Marco Rubio’s (R-FL) [AGREE Act \(S.1866\)](#) would extend the capital investment incentive as well, and includes other job creation proposals. The AGREE Act has also been introduced in the House by Rep. Richard Hanna (R-NY) ([H.R.3476](#))

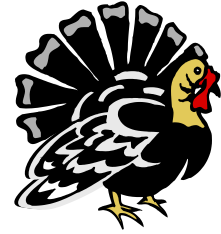
The introduction of these bills shows that ARSA’s efforts are clearly having an impact. Both Sen. Lugar’s [press release](#) and the [summary](#) of the AGREE Act cite the [recent coalition letter](#) signed by ARSA as evidence of the broad support for depreciation bonus/Sec. 179.

In other news, Reps. Sam Johnson (R-TX) and Richard Neal (D-MA) recently introduced a bipartisan, technical correction bill ([H.R. 3366](#)) to resolve the percentage of completion issue that has limited the efficacy of the depreciation bonus in certain industries. Additionally, Rep. Pat Tiberi (R-OH) last month introduced [H.R. 3123](#), a bipartisan proposal to allow companies to use more corporate AMT credits for activities that would otherwise

qualify for bonus depreciation. As a reminder, there's plenty of information to help distributors understand the capital investment incentive laws available at <http://www.depreciationbonus.org>.

Have You Seen These "Turkeys"?

This month, ***the hotline*** introduces readers to the leadership of the [Senate Committee on Homeland Security & Governmental Affairs](#). This committee oversees matters pertaining to the Department of Homeland Security and the budgetary concerns of government functions such as the Census, the District of Columbia, and the United States Postal Service. Because their jurisdiction includes the Department the Transportation Security Administration (TSA), this committee is a heavy target for the "Lift the Ban" campaign.



Sen. Joseph Lieberman (I-CT)



Sen. Joe Lieberman is Connecticut's senior Senator, serving his fourth term.

Lieberman is the chairman of the Committee on Homeland Security & Governmental Affairs. He also sits on the Committee on Small Business and Entrepreneurship, the Committee on Armed Services' Personnel Subcommittee, SeaPower Subcommittee, and is the chairman of the Airland Subcommittee. Lieberman is a member of the International Conservation Caucus, and is the co-chair of the Senate Caucus on Global Internet Freedom, the Congressional Fire Services Caucus, and the Congressional Public Service Caucus.

A graduate of Yale University and Yale Law School, Lieberman served three terms in the Connecticut Senate, and was the state's Attorney General before his election to the Senate. Lieberman lives with his wife, Hadassah, in Stamford. They have four grown children and eleven grandchildren.

Senator Lieberman's Washington, DC office:

706 Hart Senate Office Building
Washington, D.C. 20510-0001
202 224 4041
<http://lieberman.senate.gov>

Sen. Susan Collins (R-ME)



Sen. Susan Collins is Maine's junior Senator, serving her third term.

Collins is the Ranking Member of the Committee on Homeland Security & Governmental Affairs. She sits on the Appropriations Committee where she serves on its Subcommittees on Agriculture, Rural Development, Food & Drug Administration, & Related Agencies; the Subcommittee on Interior, Environment, and Related Agencies; the Subcommittee on Military Construction, Veterans Affairs, and Related Agencies; the Subcommittee on Transportation, Housing & Urban Development, & related Agencies; and serves as the Ranking Member of the Subcommittee on Financial Services and General Government. Collins also sits on the Committee on Armed Services, and is on the Special Committee on Aging.

A graduate of St. Lawrence University, Collins was a congressional staffer and a public administrator before her election to the Senate. Collins lives in Bangor.

Senator Collins' Washington, DC office:

413 Dirksen Senate Office Building
Washington, D.C. 20510-0001
202 224 2523
<http://collins.senate.gov>

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

International News

U.S./India Sign Implementation Procedures for Airworthiness

On November 17, the U.S. and India signed [Implementation Procedures for Airworthiness](#) (IPA) covering the transfer and acceptance of aviation products and articles between the two nations.

Specifically, the IPA provides the framework and working procedures that the Federal Aviation Administration (FAA) and the Directorate General of Civil Aviation (DGCA) will abide by in design approval, production, export airworthiness approval, post-design approval and technical assistance between the respective authorities. The IPA addresses the performance of design, production, airworthiness, and related certification functions. Although the IPA is aimed at reciprocity, the agreement provides a very narrow scope of FAA acceptance, limited mainly to Indian Technical Standard Order Authorization (ITSOA) articles (see IPA section 2 for the scope, and Table 2 for a summary of the agreement from the FAA's perspective); the DGCA broadly accepts articles and associated FAA approvals (see IPA section 2, and Table 1).

This agreement follows the [Bilateral Aviation Safety Agreement](#) (BASA), signed July 18, 2011, to promote aviation cooperation between the two countries.

International Roundup

Editor's Note: In order to provide more international coverage, the Association now presents a monthly roundup of world events pertaining to the industry.

[Western Firms Expand Footprint in Middle East](#) (*Aviation Week*)

[UAE Aerospace on Radar](#) (*Gulf News*)

[So, What is the Qantas Dispute Really All About?](#) (*News.com (Australia)*)

[Airbus: Demand for 2,000 new passenger aircraft in Latin America over 20 years](#) (*Air Transport World*)

[The Churn in Indian Aviation](#) (*The Hindu Business Line*)

[FL Technics Training: Developing Technologies In Africa Call For Superior Skilled Technical Personnel](#) (*AviationPros.com*)

[How Big Will Asia's Aftermarket Influence Be?](#) (*Aviation Week*)

[MRO ASIA: MRO Companies Need to form Partnership Networks](#) (*Flight Global*)

[Recruitment, Reform Drive on in Civil Aviation Regulator](#) (*The Economic Times (India)*)

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<http://www.arsa.org/hotline.advertising>

Member Spotlight

Professional Aircraft Accessories, Titusville, FL

Professional Aircraft Accessories Inc. (PAA), located at Space Coast Executive Airport in Titusville Florida, specializes in the repair and overhaul of landing gear, accessories, instrumentation, pressurization, radio, radar avionics and airframe components.

The company offers a variety of component capabilities on numerous aircraft. It currently supports numerous regional operators, both domestic and international. PAA structures its contract programs to meet the precise needs of customers; it is designed to handle elaborate contracts and provide the personal service to keep clients satisfied.

PPAs employees work closely with clientele to shape each overhaul program to meet its needs. The company strives to keep satisfactory levels of inventory to meet contract requirements. Staff works with all levels of a customer's organization to guarantee it understands distinct delivery requirements and anticipate any complications.

The technicians and inspectors at PPA take enormous pride in the quality, integrity and service they offer to every customer and its support staff provides customers with accurate quotations, continuous work updates and 24 hour aircraft on ground support. The company has several process specs to increase capabilities as well as decrease turn-times. By utilizing these specs PPA is able to set a standard for quality and market price, untouchable by any competitor.

For more information about Professional Aircraft Accessories, visit <http://www.gopaa.com/>.

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

[AADFW, Inc.](#), Euless, TX

[Bangor International Airport](#), Bangor, ME

Chloe Ann Alexander, New Port Richey, FL

[Engine & Air Frame Solutions Worldwide LLC](#), Bridgeport, WV

[Luminair Support Corp.](#), Medley, FL

ARSA Regulatory Compliance Training—Questions

Part 1: General Comprehension

Level 1: For anyone working in aviation

§ 65.79 Skill requirements.

Each applicant for a mechanic certificate or rating must pass an oral and a practical test on the rating he seeks. The tests cover the applicant's basic skill in performing practical projects on the subjects covered by the written test for that rating. An applicant for a powerplant rating must show his ability to make satisfactory minor repairs to, and minor alterations of, propellers.

Question 1: An applicant for a powerplant rating must demonstrate the ability to make propeller minor repairs and alterations.	Question 2: The written tests are covered by this rule.
A—True. B—False.	A—True. B—False.

Question 3: The oral and practical tests include the subjects covered by the written test.	Question 4: An applicant for an airframe rating is not required to pass oral and practical tests.
A—True. B—False.	A—True. B—False.

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

Date _____
Date Test was Completed

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

Hours _____
Time Credited for Test

Approved by _____
Signature of Supervisor or Person Administering Test

ARSA Regulatory Compliance Training—Answers

Correct answers are in **bold**

Part 1: General Comprehension

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<p>Question 1: An applicant for a powerplant rating must demonstrate the ability to make propeller minor repairs and alterations.</p>	<p>Question 2: The written tests are covered by this rule.</p>
<p>A—True (Correct answer). B—False.</p>	<p>A—True. B—False (Correct answer; this rule covers the oral and practical tests. The knowledge requirements of § 65.75 cover written tests).</p>
<p>Question 3: The oral and practical tests include the subjects covered by the written test.</p>	<p>Question 4: An applicant for an airframe rating is not required to pass oral and practical tests.</p>
<p>A—True (Correct answer). B—False.</p>	<p>A—True. B—False (Correct answer; each applicant must pass oral and practical tests for the rating sought).</p>