



Aeronautical Repair Station Association

since 1984
the hotline

April 2013

Latest News

Sarah Says: Building a Legacy

By Sarah MacLeod, ARSA executive director

A company cannot survive very long without employees; the investment to ensure a viable workforce cannot be avoided. One must pay more for fewer employees and demand more productivity (which is a downward spiral), while one invests in the generational evolution of its workforce. A business owner (or business management) cannot do just one or the other and expect to retire after a long and illustrious existence.

To support the long-term viability of our small business, the workforce is provided with the tools for addressing the constantly changing environment of association management. That doesn't only mean proper desks, computers and software; it also means making formal education available and part of every team member's evaluation, goals and objectives. Crystal Maguire received financial support for her law school endeavor because of that policy. Paid internships further supplement the workforce; our two newest members (Josh Pudnos and Matt McKinney) joined the team just that way. Even if the individuals did not join our organization, the experience helped another company's success.

To continue that philosophy, the association provides a scholarship for aviation maintenance students instead of mailing holiday cards (and instead of "saving" the money by emailing holiday greetings). ARSA supports the [AMT Society](#)'s endeavors. For example, we are working with U.S. Senators on a resolution to commemorate May 24th (Taylor's birthday) as Aviation Maintenance Technician Day. We are also ensuring more involvement from both domestic and foreign repair stations with the AMT Society's [annual technician competition](#). ARSA members have equally beneficial programs for enhancing the supply of capable technicians. The law firm, the association and its members are merely following the philosophy necessary for long-term financial viability and, hence, personal and professional success.

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Sarah Says, continued

These efforts, of course, are not enough to guarantee a constant supply of technically competent employees. Even longer-term efforts must be supported, such as the [Aviation Workforce Development think tank](#). Although the association will not have a representative at the first gathering of this effort, the repair station community will have champions attending.

Equally important to industry efforts is ensuring support of governmental and public educational opportunities. Congressional representatives must be reminded of the importance of supporting educational institutes including the [Aviation Technician Education Council \(ATEC\)](#) and [Business and Industry STEM Education Coalition \(BISEC\)](#).

If your company is not involved in similar efforts, its long-term viability is problematic; while it (and/or you) may make short-term profits, it will not be a legacy.

New ARSA Webinar Program Announced; Navigating Online FAA Resources Next

ARSA's online training courses are open to anyone interested in learning more about the business of aviation, particularly on regulatory safety subjects. The association revises these courses often, and they are accessible through the WebEx platform.

ARSA's offering weekly webinars with experts from [Obadal](#), [Filler](#), [MacLeod & Klein](#) to address a variety of business and compliance issues confronting the aviation industry. Instructors will work off a PowerPoint presentation which will be provided to participants.

[Click here](#) for more information.

The Association Praises European Legislators' Efforts on ICAs

On April 19, ARSA sent a [letter](#) to two members of the European Parliament commending their recent inquiries to the European Commission regarding original equipment manufacturers making maintenance manuals available to MROs.

In the letter, ARSA's Vice President for Legislative Affairs Daniel Fisher detailed the fact that regulatory bodies aren't enforcing their own safety requirements that design approval holders make instructions for continuing airworthiness (ICAs) available, particularly when MROs are required to follow them. Fisher wrote, "ARSA has long been concerned about not only the economic impact of this problem, but also the fact that it can and will adversely affect safety by creating inconsistent maintenance practices."



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The government-induced predatory practice, which essentially produces a monopoly for OEMs, is troubling. Some manufacturers refuse outright to provide ICAs (e.g., maintenance manuals); others charge an exorbitant amount, constructively denying access.

According to a 2012 association survey, 72 percent of the respondents said that over the past two years they saw an increase in restrictive contract provisions for manufacturer maintenance data or other practices limiting access to instructions for continued airworthiness.

Parliamentary questions are inquiries addressed by Members of the European Parliament to other parts of the European Union (EU) government. The process is a direct form of parliamentary scrutiny and oversight of other EU institutions and bodies. Answers to written questions are generally required within six weeks.

To view the questions asked by Eija-Riitta Korhola of Finland [please click here](#).

To view the questions asked by Mark Demesmaecker of Belgium [please click here](#).

ARSA Launches Repair Station Security Rule Countdown Clock

On March 15, during testimony before the [U.S. House of Representatives Transportation Security Subcommittee](#), TSA Administrator [John Pistole](#) confirmed that the [final repair station security rule](#) is being reviewed by the Office of Management & Budget (OMB). During the hearing, Pistole said the rule is under a mandatory 90-day examination period.

ARSA hopes that the rule is finally completed by June 13, after the review period, so that the FAA is permitted to once again certificate new foreign repair stations and industry will stop being penalized for TSA inaction.

In order to countdown the time until the rule is supposed to be finalized, ARSA has launched the [“Repair Station Security Rule” Countdown Clock](#). Once the time expires, if the regulation has not been issued, the industry must push Congress to permit the FAA to begin issuing new foreign repair station certificates.

To read more, and to view the countdown clock, visit <http://arsa.org/legislative/issues/aviation-policy/lift-the-ban/>

The Association Educates Congress on Economic Impact of MRO Industry

The Aeronautical Repair Station Association (ARSA) told Congress in a [letter](#) about the significant economic impact the aviation maintenance industry has in communities throughout the country and urged lawmakers to keep the sector’s contributions and safety record in mind when considering legislative proposals.

The letter highlights [a new report](#) commissioned by ARSA, “Global MRO Market Economic Assessment,” which detailed the economic impact and market breakdown of the aviation Maintenance, Repair, and Overhaul (MRO) industry. Specifically, the study determined that the MRO industry has a direct and indirect impact of \$47 billion on the U.S. economy and employs 306,000 U.S. workers, adding 30,000 new jobs since 2009.

The study provides national and state-by-state analysis of the civil aviation maintenance marketplace, focusing on the heavy airframe, engine, component, and line maintenance segments of the industry. ARSA hopes the new data will help lawmakers better understand the integral role the maintenance sector plays in aviation and in creating economic growth and jobs across the country.

“The report makes clear that although maintenance may be the least visible segment of the aviation industry, in addition to helping U.S. airlines become safer and more competitive, repair stations are significant economic contributors throughout the country. Unfortunately, the industry’s economic impact and jobs are directly threatened by policies coming out of Washington, including the current ban on foreign repair station certificates and indiscriminate cuts to FAA funding,” ARSA Vice President of Legislative Affairs Daniel Fisher said.

The full report can be viewed at <http://arsa.org/wp-content/uploads/2013/04/2013MROStudy.pdf>.

ARSA Releases New State Data Fact Sheets

ARSA economic studies quantified the civil aviation maintenance industry's economic footprint.

The research determined that the global MRO market exceeded \$65 billion in 2012, with North America (the U.S. and Canada) accounting for \$23.5 billion of the total. When induced and related economic effects are considered, the maintenance industry's impact on the U.S. economy is \$47 billion per year. The industry employs 306,000 workers in the United States. Aviation maintenance in North America also enjoys a positive balance of trade of more than half a billion dollars.

ARSA also examined the economic benefits of BASAs and determined that maintenance bilaterals significantly reduce certification costs for repair stations. AeroStrategy research found that it costs repair stations significantly more (almost three times as much) to become certificated by "foreign" CAAs when the home country does not have a BASA; maintenance bilaterals help make repair stations more profitable; and the collapse of the U.S.-EU BASA would disproportionately hurt small companies.

These studies are made possible through the Association's Positive Publicity Campaign.

Specific information for each state is available at <http://arsa.org/news-media/economic-data/>

The Association Urges House Ways & Means Committee to Simplify Tax Code

Aviation maintenance companies need a simpler tax code and greater tax certainty to continue to grow and create jobs ARSA told the U.S. House of Representatives Committee on Ways & Means.

In its [comments](#) to the committee's Small Business Tax Reform Working Group, ARSA Vice President of Legislative Affairs Daniel Fisher laid out four key policy priorities for lawmakers to consider when drafting comprehensive tax reform legislation:

- Restoring certainty and simplification to the tax code so that resources utilized for retaining tax attorneys and accountants could be used to invest and hire more workers.
- Proceeding simultaneously on corporate and pass-through tax reform to ensure all businesses benefit from improvements to the Internal Revenue Code.
- Increasing Sec. 179 expensing and phase out levels to encourage capital investment.
- Repealing the estate tax so ARSA's family-owned member companies aren't forced to incur significant estate planning and insurance costs, allowing financial resources to be better used to invest and hire employees.

"I commend the Ways & Means Committee for allowing the public to be a part of the comprehensive tax reform debate," said Fisher. "ARSA looks forward to working with Congress to restore long-term certainty and simplification to the tax code and pursue pro-growth tax policies to encourage job creation, economic growth, business risk-taking, and investment."

ARSA's comments will be included in a Joint Committee on Taxation report, which will be delivered to the Committee on Ways & Means on May 6. More information about the Committee on Ways & Means' small business reform efforts can be found at <http://waysandmeans.house.gov/taxreform/>.

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



Legislative News

Senate Committee Studies Aviation Safety

On April 16, the U.S. Senate Committee on Commerce, Science, & Technology held a hearing titled “[Aviation Safety: FAA’s Progress on Key Safety Initiatives](#)” to discuss the Federal Aviation Administration’s headway in implementing aviation safety programs.

While testimony at the hearing largely focused on air traffic control tower closures and the impact of sequestration on the agency’s operations, Department of Transportation Assistant Inspector General Jeffrey Guzzetti briefly addressed the FAA’s oversight of repair stations.

In his [testimony](#), Guzzetti criticized the FAA’s mandatory inspections of maintenance facilities, instead calling for risk-based inspections. He also highlighted that FAA inspectors often overlook deficiencies, such as inadequate mechanic training and outdated tool calibration checks, and urged the agency to better implement its risk-based monitoring systems for repair stations and manufacturers. Lastly, Guzzetti indicated the Inspector General’s office plans to release its report on FAA oversight of repair stations by the end of April.

“The DOT Inspector General’s testimony confirms what ARSA has been advocating for years: Mandatory inspections are an inefficient use of time and resources,” said ARSA Vice President of Legislative Affairs Daniel Fisher. “A risk-based inspection regime is optimal to conduct repair station oversight. We look forward to continuing to work with the FAA, Congress and industry on this issue.

Obama Signs Legislation to End ATC Furloughs

On May 1, President Obama signed [legislation](#) that permits the transfer of up to \$253 million from the FAA’s Airport Improvement Program (AIP) or any other agency “program or accounts” to its operations budget.

The reallocation will allow the FAA to prevent further furloughs of air traffic controllers (through the end of the fiscal year). It is also anticipated that the increased operations account funding will stop the closure of contract air traffic control towers.

“ARSA continues to believe that Congress must give the FAA the resources to fulfill its congressionally mandated activities,” said Daniel Fisher, ARSA Vice President of Legislative Affairs. “When lawmakers don’t allow the FAA to carry out its basic functions the entire aviation industry suffers. While the legislation averts air traffic delays now, it is not a long-term solution to the FAA’s fiscal challenges.”

Obama Administration Releases Budget Proposal

On April 10, the Obama administration unveiled its [fiscal year 2014 budget proposal](#), which contained several policies strongly opposed by the aviation industry.

President Obama requested [\\$15.6 billion to fund the Federal Aviation Administration \(FAA\)](#), including a very slight increase (0.6 percent) above the FY 2013 appropriated levels for the operations account. However, the devil is in the details.

The administration once again seeks to increase the depreciation recovery period for general aviation airplanes that carry passengers to seven years. ARSA and the broader aviation industry [have strongly opposed](#) similar efforts in the past because of the economic impact it would have on general aviation. Currently, aircraft not used in commercial or contract carrying of passengers or freight, such as corporate jets, are depreciated over five years.

Additionally, the president recycled another proposal that would detrimentally impact general aviation. The administration’s budget establishes a new surcharge for air traffic services of \$100 per flight. The budget

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assumes this fee would raise \$605 million in FY 2014, rising to \$836 million in FY 2023. Similar to altering the general aviation airplane depreciation schedules, user fees have been widely disparaged by lawmakers and the aviation industry.

Finally, the Obama administration is pursuing increased commercial passenger ticket fees to fund aviation security and deficit reduction. Many, including the major air carriers, believe increasing ticket costs will result in less commercial air travel.

For better or for worse, the recent trend has been that presidential budget proposals carry little weight on Capitol Hill. Nonetheless, ARSA will continue to work with our industry allies to ensure the aviation sector isn't unfairly targeted by policymakers.

House Members Write White House in Opposition to User Fees

In April, 223 members of the U.S. House of Representative wrote President Obama in opposition to the Administration's continued efforts to support a \$100 per flight fee on commercial and general aviation. View the letter at <http://arsa.org/wp-content/uploads/2013/04/UserFeeLettertoPresident-20130405.pdf>

Legal Briefs

The Air Carrier and Repair Station Regulatory Relationship: Part 4

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

Last month, we explored the general air carrier manual rule in Title 14 Code of Federal Regulations (14 CFR) part 121 and focused on its requirement for "instructions and procedures for maintenance, preventive maintenance, and servicing" (§ 121.135(b)(17)). That provision corresponds with "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" (§ 43.13(c)) and identifies the "how to" instructions that are the "applicable sections" of the air carrier's maintenance manual a repair station must follow (§ 145.205(a)), which we discussed in previous articles in this series. Essentially, this is the part of the air carrier manual containing maintenance information and instructions (§121.133) or "the maintenance part of the manual" (§121.137(c)).

In addition to "how to" instructions, the general air carrier manual rule requires the inclusion of time limitations, or standards for determining time limitations, for overhauls, inspections, and checks of airframes, engines, propellers, appliances and emergency equipment (§ 121.135(b)(18)), and airworthiness inspections, including instructions covering procedures, standards, responsibilities, and authority of inspection personnel (§ 121.135(b)(20)). A repair station must also account for these "program" items when performing maintenance for an air carrier (§ 145.205(a)). Stated differently, these items control use of the "how to" instructions in the air carrier's maintenance manual. It does not mean an air carrier's maintenance program and maintenance manual are one and the same.

Establishing the differences between an air carrier "maintenance manual" and "maintenance program" leads us to the more specific maintenance provisions in the rules (14 CFR part 121, subpart L). As mentioned above, the program dictates application of the "how to" instructions so it is no surprise to find the manual must contain the programs "that must be followed in performing maintenance, preventive maintenance, and alterations of that certificate holder's airplanes, including airframes, aircraft engines, propellers, appliances, emergency equipment, and parts thereof" (§ 121.369(b)). (As a side note, this provision directly contradicts existing Federal Aviation Administration (FAA) guidance suggesting that an air carrier's maintenance manual is an element of the air carrier's maintenance program.)

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In other words, there is a direct relationship between the identified “technical elements” of the maintenance program and the instructions for performing the work in the maintenance manual. Indeed, central to the rule describing maintenance program requirements is ensuring that maintenance tasks “performed by [the air carrier], or by other persons, are performed in accordance with the [air carrier’s] manual” (§ 121.367(a)). The focus is clearly on properly following the “how to” instructions in the maintenance manual as dictated by the “technical” aspects of the air carrier’s maintenance program. For repair stations, that rationale is reflected in the fact that it must follow the air carrier’s “program and applicable sections of its maintenance manual” (§ 145.205(a)). The general air carrier program requirements apply (§ 121.367), and the applicable sections of the maintenance manual that must be followed by repair stations are those containing technical aspects of the program and “how to” instructions. The entirety of “program” elements contained in the air carrier manual (§ 121.369(b)(1) through (b)(9)) do not apply to a repair station performing the work.

With the vast majority of air carrier maintenance today being performed by repair stations, it is time for the agency to recognize these regulatory features in its guidance. Distinctions between “administrative” and “technical” program requirements should be made to recognize the role of repair stations and emphasize the work performed.

ARSA on the Hill

By Daniel Fisher, ARSA vice president of legislative affairs

In April, ARSA’s legislation team continued implementing its “[lift the ban](#)” lobbying effort and worked with congressional leaders to ensure legislation is ready for introduction by June 14.

On March 15, during testimony before the [House Transportation Security Subcommittee](#), Transportation Security Administration Administrator [John Pistole](#) confirmed the Office of Management & Budget is reviewing the [final repair station security rule](#) for 90 days. Working with our allies on Capitol Hill, the association’s goal is to have a bill repealing the foreign repair station certification ban ready for introduction by the end of the review period. To watch the countdown, visit <http://arsa.org/arsa-launches-repair-station-security-rule-countdown-clock/>.

To assist in our lobbying efforts, the association delivered [new economic data](#) to Capitol Hill educating lawmakers on the MRO industry’s economic impact.

The legislative team also coordinated the attendance of two congressional staffers (with Florida Sens. Nelson (D) and Rubio (R)) at the April 5 Miami outreach meeting conducted by ARSA Executive Vice President Christian Klein.

Finally, ARSA PAC is ramping up its fundraising for 2013. To learn more about ARSA PAC, visit: <http://arsa.org/about-arsa-pac/>.

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/>.

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Quality Time

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Legal waypoints

Flow Down / Consequential Damages Case Study – *Costa v. Brait*

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.

A recent case decided by the Supreme Judicial Court of Massachusetts illustrates how a flow down provision can work in the context of a claim for consequential damages. The case of ***Costa v. Brait Builders Corporation***, 463 Mass. 65, 972 N.E.2d 449, (Mass., 2012), involves several areas of dispute between a prime (general) contractor and one of his subcontractors on a municipal construction project. One of the lessons learned is a keen reminder of the power of simple flow down language and good contract review practices.

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Background: In June 2004, Costa entered into a subcontract with Brait Builders Corporation to perform site work on a municipal construction project. The project consisted of earthwork such as digging trenches for underground utilities and diverting surface water. Work began on the project in mid-2004 but by early January 2005 the relationship between Costa and Brait was unraveling. Brait sent a threatening letter alleging Costa had left the work site under manned and unmanned. Costa replied alleging delay and added expenses caused by Brait. This was followed with more reciprocal accusations related to water accumulation and water removal from the work site. Shortly thereafter, Costa wrote advising Brait that site work would be discontinued due to extreme weather conditions. On the same day, Brait fired back announcing he was terminating the subcontract for unacceptable performance and barring Costa from the work site.

The Case: In May 2005, Costa filed suit against Brait alleging breach of the subcontract by obstructing performance, failing to pay amounts owed, and barring him from the work site. Some five years later (August 2010), the case went to trial. The jury returned a verdict in favor of Costa awarding general damages (\$199,228), and consequential and incidental damages (\$133,648) as well as statutory damages, attorney's fees and interest, all totaling approximately \$1,124,000. Both parties appealed the verdict for various reasons.

Consequential Damages: Prior to trial, Brait made a motion for a directed verdict arguing that consequential damages were precluded by a provision of its general contract with the municipality that was incorporated into the subcontract with Costa. The motion was denied. At the close of the trial, Brait moved for a judgment notwithstanding the verdict on a similar basis. That motion was also denied.

The first paragraph of the subcontract contained what was called an "incorporation by reference" clause. This clause stated that the terms of the general contract were expressly incorporated into the subcontract. In addition the subcontract also contained the following flow down provision:

"The Subcontractor agrees to be bound to the Contractor by the terms of the [general contract] and to assume to the Contractor all the obligations and responsibilities that the Contractor by those documents assumes to the awarding authority, except to the extent that provisions contained therein are by the terms or by law applicable only to the Contractor."

A key provision of the general contract (between Brait and the municipality) stated the following:

"The Contractor waives Claims against the Owner for consequential damages arising out of or relating to this Contract. This includes: (1) damages incurred by the Contractor for ... losses of financing, business and reputation, and for loss of profit except anticipated profit arising directly from the Work."

The Appeal: On appeal Brait argued that the combination of these provisions working together act to preclude Costa's claim for consequential damages. The Supreme Judicial Court of Massachusetts agreed, remanded the case and ordered the judgment be amended to strike the jury's award of consequential damages. The court stated that "so-called 'flow down' clauses, pursuant to which the contractor's obligations 'flow down' to the subcontractor, are an acceptable and common method for general contractors to limit risk." In this instance the subcontract "unambiguously incorporates" the general contract, and the general contract "unambiguously precludes recovery of consequential damages".



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Employment Law & Repair stations

Deadline is May 7, 2013 for New I-9 Employment Eligibility Verification Forms

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 Citizenship and Immigration Services (USCIS) has revised the I-9 Employment Eligibility Verification Form. All employers must complete the Form I-9 to verify employment eligibility for every new hire. The USCIS made the new I-9 forms available for use as of March 8, 2013. In order to accommodate employers who needed more time to make the necessary modifications, especially those who are using Electronic Form I-9, the agency extended the final date for implementation for 60 days. That deadline is now upon us.

The new forms can be accessed online by visiting the USCIS website at www.uscis.gov, or they can be ordered by calling 1-800-870-3676. A Spanish-language version of the new Form I-9 is also available at the USCIS website but may only be used in Puerto Rico. **Note:** Employers do not need to complete the new form I-9 for current employees for whom there is already a properly completed form on file, unless re-verification is necessary. In fact, unnecessary verification may violate section 274B of the Immigration and Naturalization Act, which prohibits discrimination.

The USCIS has expanded the new I-9 form to three pages with a revised layout. Instructions for completion are more detailed and include what are intended to be clearer explanations of the specific information required. There are new data fields to collect the employee's email address and telephone number as well as the foreign passport number and country of issuance if the employee uses their I-94 and foreign passport as authorization to work.

As with the old Form I-9, the revised form contains three sections. Section 1 collects identifying information about the employee and requires the employer to attest to whether the employee is a U.S. citizen, noncitizen national, lawful permanent resident, or alien authorized to work in the United States. The employee is required to provide the employer with documentation evidencing his or her identity and authorization to work in the particular employment.

The purpose of Section 2 of the form is to collect identifying information about the employer as well as the identity and authorization that the employee has presented in Section 1 and which the employer has reviewed. This section must be provided within three business days of the employee's hire.

Section 3 of the I-9 form collects information with respect to the employee's continued employment authorization. The section is completed when either Section 1 or Section 2 of the form expires, or if the employee is rehired within three years from the date the original form was executed. The information in this section could include a name change if completing this Section 3 is otherwise required.

Employers must retain the Form I-9 for three years after the hire date or for one year after the date employment ended, whichever is later. It must also be made available for inspection by the U.S. Immigration and Customs Enforcement (ICE), the Department of Justice (DOJ) and the Department of Labor (DOL).

As of May 7, 2013, employers should be using Form I-9 with a revision date of "(Rev. 03/08/13)N."

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Membership

Member Spotlight: Barfield, Inc., Miami, Fla.

On April 5, Barfield Inc. hosted ARSA Executive Vice President Christian Klein for an industry briefing of dozens of aviation maintenance professionals from around the Miami area.

A longtime supporter of ARSA and an active member, Barfield makes certain to get the most out of its association membership.

“Barfield is proud to be part of ARSA and was more than happy to host the Miami-Outreach,” said Barfield Vice President of Quality Robert Arnett. “For those who were not able to attend the recent Symposium and Legislative Day, it gave the opportunity to communicate some of the current issues ARSA is working on that affect many of us in the industry. ARSA has also been very instrumental in assisting us with my fight against the ban on foreign repair stations. Their courteous and knowledgeable staff has proven to be a very valuable asset.”

Founded in 1945 by James W. Barfield and acquired by Sabena Technics in 2007,

Barfield Inc. has served the aviation industry for more than 65 years. Barfield has complete capabilities to test, repair, and/or overhaul avionics, instrument, and electronic components in excess of 25,000 part numbers that span all aircraft markets, including commercial, corporate, regional helicopters, and general aviation. It serves as an authorized warranty repair station for 15 European and three U.S. original equipment manufacturers (OEMs), as well as six ground support OEMs.

For more information, visit www.barfieldinc.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>.



(From left to right) ARSA Executive Vice President Christian Klein; Barfield CEO Frederic Denise; Barfield Vice President of Quality Robert Arnett; staff assistant to Sen. Marco Rubio (R-FL) Nury Soler; regional director for Sen. Bill Nelson (D-FL) Pedro Villa



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!](#)

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 Peggy Gilligan, associate administrator for aviation safety for the Federal Aviation Administration (FAA).



Peggy Gilligan became associate administrator for aviation safety on January 5, 2009, after serving as the FAA's deputy associate administrator for 14 years. She has been with the agency since 1980.

In October 2011, Peggy accepted the Roger W. Jones Award for Executive Leadership. American University's School of Public Affairs annually grants this award to two federal senior executives who have shown exceptional leadership while devoting themselves to a career of public service.

In May 2009, Peggy and her industry co-chair accepted the Robert J. Collier Trophy in recognition of the Commercial Aviation Safety Team's (CAST) work in developing an integrated data-driven strategy that reduced aviation fatalities in the United States by 83 percent over 10 years. Peggy serves as the government co-chair of CAST — a joint industry/government group committed to improving aviation safety by reducing the risk of accidents.

In April 2006, Peggy and her industry co-chair received the Laurel Award from Aviation Week & Space Technology magazine for improving aviation safety and "reducing the risk of fatalities in world aviation" through CAST. The annual award recognizes the extraordinary accomplishments of individuals and teams in aviation, aerospace, and defense.

Peggy was chief of staff at the FAA, serving four administrators. She also served in the chief counsel's office in Washington and as a staff attorney in the FAA's eastern region in New York. Peggy is a 1979 graduate of Boston University School of Law and a 1975 graduate of Manhattanville College, Purchase, NY. She resides in Washington, DC.



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A Member Asked

Q: We are planning to perform work on components for the U.S. military and issue FAA 8130-3 tags when we are finished. The articles are identical to components we repair for civilian customers who operate the commercial version of the aircraft, and we will use the same manufacturer instructions to perform maintenance. However, our FAA inspector says we cannot issue an 8130-3 if the components are shipped to the U.S. military. Is this correct?

the hotline

A: No, even though the FAA may not have jurisdiction over the work performed for the military that does not prevent the repair station from performing maintenance in accordance with part 43 and issuing an 8130-3. Indeed, the part could eventually be transferred onto a civilian aircraft of the same type. Last month, the FAA issued guidance covering this topic in Order 8900.1, volume 8, chapter 7, section 1 ([link](#)) that provides in pertinent part: “No current regulation prohibits a maintenance provider from completing an airworthiness release, or from completing any other form to record activities that the FAA regulates, or that falls under FAA jurisdiction. Additionally, when a maintenance provider approves work on an article for RTS [return to service] using its FAA certificate number, and that article gets installed on an aircraft not identified in § 43.1, the certificate holder doesn’t bring itself under the FAA’s enforcement jurisdiction for that maintenance. However, if the article gets installed on an aircraft identified in § 43.1, the maintenance provider is subject to the FAA’s enforcement jurisdiction for that maintenance...”

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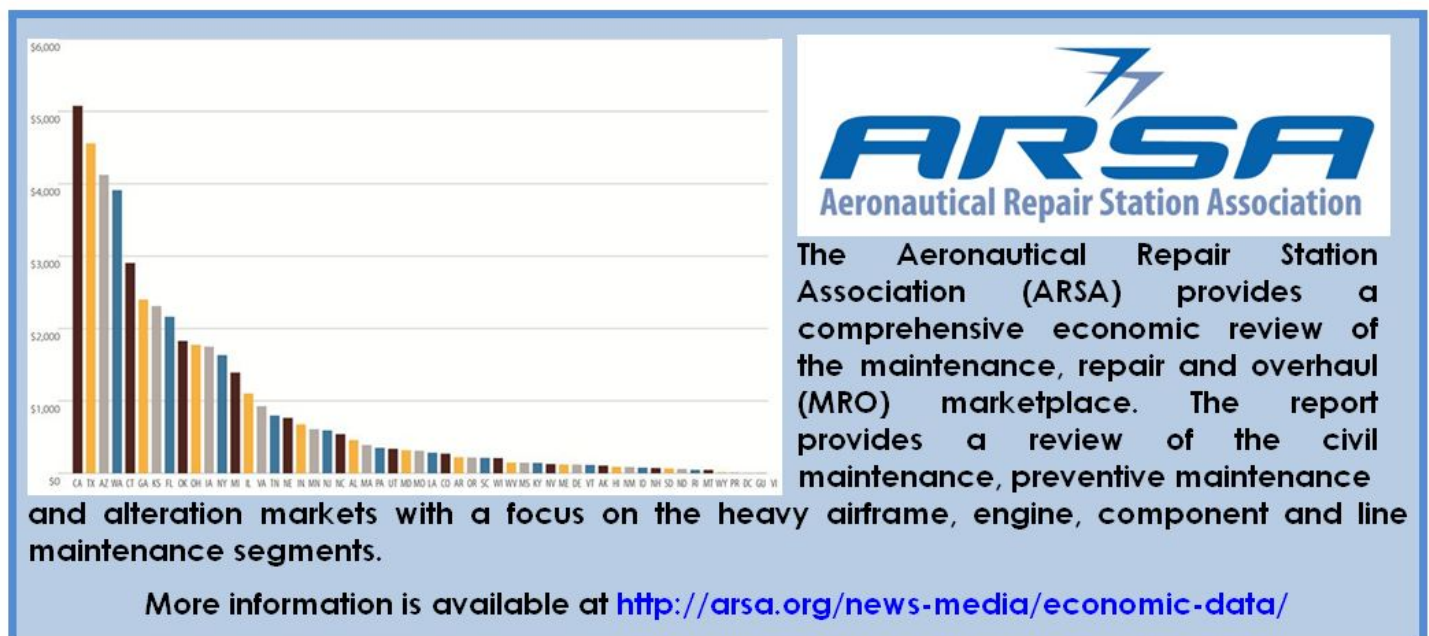
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Industry News

Blue Ridge CC's Dyen Awarded Instructor of the Year

On April 15, Blue Ridge Community College Aviation Maintenance Technology Program Associate Professor Fred Dyen was awarded the [Ivan D. Livi Aviation Maintenance Educator of the Year Award](#) presented at the annual Aviation Technician Education Council (ATEC) Conference. The award recognizes long-term outstanding performance of an aviation maintenance technology instructor who has had a direct impact on students.

Dyen has nearly 27 years of experience teaching at Part 147 programs across the country and is currently pursuing his PhD in instructional design and technology from Old Dominion University in Norfolk, Virginia.

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.

[Despite Sequester, Aviation Companies Expand in North Carolina](#) (NPR)

[Commercial Jet Inc.to Invest \\$12 Million in Dale County Aircraft Maintenance Operation](#) (Made In Alabama)

[TechOps Helps Delta Contain Costs, Anderson Says](#) (Aviation Week)

[Quest Diagnostics Receives Top FAA Award for Aviation Maintenance Training and Safety](#) (AviationPros)

[AAR Hosts "Take Our Daughters and Sons to Work Day" on April 25](#) (Aviation Pros)

[Dassault Aircraft Services Opens Van Nuys Satellite Service Station](#) (AIN Online)

[Beechcraft Adds Two More Authorized Service Centers in North America](#) (AIN Online)

[DOD Honors West Star Aviation](#) (AIN Online)

[Kalitta Air Builds Up Michigan MRO](#) (Aviation Week)

[Signature Opens TechnicAir Subsidiary at IAD](#) (AIN Online)

International News

Malaysian MRO Industry Emerging as Regional Leader

This year, Malaysia's aviation maintenance industry is poised to emerge as one of the Asia-Pacific region's leading airframe and engine overhaul markets.

According to the Malaysian Investment Development Authority, the government agency tasked with promoting the development of the manufacturing and services sectors in Malaysia, the island nation's \$900 million MRO industry is expected to grow by an astounding ten percent this year.

The third largest MRO market in the region after Singapore and Hong Kong, Malaysia is looking to attract foreign investors to its aviation industry, particularly the aviation maintenance segment. This year alone, the country hopes to double its funding for the aviation industry to nearly \$1.5 billion, more than a third of which is derived from foreign entities.

International Roundup

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

[FlightSafety, Lufthansa HNA Expand Mx Training in China](#) (*AIN Online*)

[\(Malaysia\) MRO Sector Ready for Driver's Role, Expected to Spearhead Aerospace Industry with 10% Revenue Growth](#) (*The Star*)

[EASA About to Approve, Mandate Permanent Fix for A380 Wings](#) (*Aviation Week*)

[AAR Ramps Up Parts Inventory in Europe](#) (*AIN Online*)

[Air India MRO Company Moves Forward](#) (*Air Transport World*)

[Aviation Week Announces 2013 MRO Regional Conference: Eastern Europe, Baltics & Russia, May 14-15 in Vilnius, Lithuania](#) (*Avionics Intelligence*)

Welcome New Members

[A&R Aviation Services, Inc.](#), Tumwater, WA

[David Hall](#), Jacksonville, AR

[Falcon Crest Accessories](#), Houston, TX

[Icon Aerospace LLC](#), Monroe, NC

[Master Air Parts, Inc.](#), Santa Maria, CA

[Sargent Aerospace and Defense](#), Miami, FL

[Skytech Aviation, Inc.](#), Oakland Park, FL

Upcoming Events

- [RAA 38th Annual Convention – May 6-9 - Montreal, Quebec](#) – ARSA Executive Director Sarah MacLeod to moderate session entitled, "Maintenance Issues," on May 8 at 4 p.m.
- [AMROI – May 22-23 – Jakarta, Indonesia](#) – ARSA Executive Director Sarah MacLeod to address audience during panel discussion entitled, "International Perspective: Strengthening bilateral cooperation in aviation safety and maintenance regulations," on May 22 at 10 a.m.

ARSA Regulatory Compliance Training—Answers

Correct answers are in **bold**

Part 1: General Comprehension

Level 1: For anyone working in aviation

§ 145.3: Definition of terms.

For the purposes of this part, the following definitions apply:

(a) *Accountable manager* means the person designated by the certificated repair station who is responsible for and has the authority over all repair station operations that are conducted under part 145, including ensuring that repair station personnel follow the regulations and serving as the primary contact with the FAA.

(b) *Article* means an aircraft, airframe, aircraft engine, propeller, appliance, or component part.

(c) *Directly in charge* means having the responsibility for the work of a certificated repair station that performs maintenance, preventive maintenance, alterations, or other functions affecting aircraft airworthiness. A person directly in charge does not need to physically observe and direct each worker constantly but must be available for consultation on matters requiring instruction or decision from higher authority.

(d) *Line maintenance means* —

(1) Any unscheduled maintenance resulting from unforeseen events; or

(2) Scheduled checks that contain servicing and/or inspections that do not require specialized training, equipment, or facilities.

<p>Question 1: In the cited rule, an aircraft engine is considered an article.</p>	<p>Question 2: A person directly in charge must physically observe and direct each worker on a continuous basis.</p>
<p>A—True. (Correct answer: The definition of “article” includes aircraft engines.)</p> <p>B—False.</p>	<p>A—True.</p> <p>B—False. (Correct answer: A person in charge doesn’t need to continuously monitor all work being performed but must be available for consultation on matters requiring instruction or a decision from a higher authority.)</p>

<p>Question 3: Line maintenance includes scheduled checks that contain servicing and/or inspections requiring specialized training, equipment, or facilities.</p>	<p>Question 4: The accountable manager serves as the primary contact with the FAA.</p>
<p>A—True.</p> <p>B—False. (Correct answer: Scheduled checks that contain servicing and/or inspections requiring specialized training, equipment, or facilities are beyond the scope of line maintenance.)</p>	<p>A—True. (Correct answer: The FAA works with the accountable manager to ensure applicable regulations are followed.)</p> <p>B—False.</p>