



Aeronautical Repair Station Association
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the hotline

July 2013

Latest News

Sarah Says: Directly Involved

By Sarah MacLeod, ARSA Executive Director

Direct involvement in the political process is a must for every business; the smaller the enterprise, the more essential the engagement with local, state, and federal officials.

The association engages political figures at the federal level to ensure congressmen and senators recognize, if not understand, the basic challenges associated with aviation safety. An international organization engaging federal lawmakers is merely one stone in a member company's political foundation. Other elements of the foundation include:

- Voter's campaign—encouraging employees to become registered voters and participate in all elections. The company can make it part of the human resource offerings to provide paid time off for voting activities and can offer pamphlets and other educational information on how to register, how to vote, and how to find their polling location. The association has resources to help you engage in this area: <http://www.arsaaction.org/voter-resources/>.
- Political contributions—financial assistance to local, state, and federal politicians never goes amiss. Even if the candidate does not get elected, money is an important statement about the individual's ability to participate in other political activities in the city, county, state, or federal government. ARSA has resources to help involve you in this area: <http://arsa.org/legislative/get-involved/>.
- Political activities—visiting the local, state, or federal candidate/official's campaign headquarters or district office introduces influential people to your company, its contributions to the economy, the community, and the health and general welfare. Use the simple form found [here](#) to create a company profile that will make this important connection more relevant.

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Sarah Says, continued

- Create political activity—inviting your representative to tour your facility and meet your employees. You can start with local folks, like a member of the town council or county commissioner's office; ultimately, every elected official who represents you or your area needs to know and understand you, your employees, and your business. The association has the [forms](#) and support that make these invitations easier. Just be persistent!
- Write now and often—send your comments to your elected officials either directly through [ARSAAction.org](#) or indirectly through the media by writing or [responding to an editorial](#).

Every one of these foundational elements can be used to create fairness in the governmental processes. There is no doubt the odds are stacked against businesses when it comes to laws and regulations; there are too many to count let alone understand and ensure compliance. The aviation safety regulations may be the backbone to the civil aviation industry, but they are not the end-all, be-all to compliance issues. In the American representative government system, a citizen's direct involvement in the political process is essential to success.

ACA Employer Mandate Penalty Postponed Until 2015

On July 2, the Obama administration [announced](#) the employer mandate portion of the Affordable Care Act (ACA) ([Public Law 111-148](#)) will be delayed one year, until Jan. 1, 2015. The White House says it will use that time to simplify and streamline the reporting process, while allowing businesses more time to understand and plan for the implementation of the mandate.

The postponed provision requires businesses with 50 or more "full-time equivalent" employees to offer "affordable," "minimum essential" health coverage to individuals working more than 30 hours per week, or be subject to tax penalties.

Meanwhile, enrollment in the health insurance marketplace will still be available starting Oct. 1, 2013, though it remains unclear who will be eligible for government subsidies on plans as employers will not yet be required to report their coverage. The individual mandate, which requires most Americans to have insurance to avoid a tax penalty, will also begin on the original date, Jan. 1, 2014.

Stay tuned to ARSA for updates about the implementation of this significant healthcare law.



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Homeland Security Chief Napolitano to Resign

On July 12, U.S. Homeland Security Secretary Janet Napolitano [announced](#) she will be stepping down as head of the Department of Homeland Security (DHS) to become president of the University of California system.

Napolitano has served more than four years at DHS overseeing the federal response to Hurricane Sandy and other national security challenges. During her tenure, the association [educated](#) Napolitano on the urgent need to finalize repair station security rules in order to end the ban on FAA certification of new foreign repair stations.

Given the battle waging in the Senate over presidential nominations, her successor will likely face a contentious conformation process. Stay tuned to ARSA as the story develops.

ARSA Looks Forward to Working with Sec. Foxx

Christian A. Klein, executive vice president of the Aeronautical Repair Station Association (ARSA), issued the following statement in response to the Senate confirmation of Anthony Foxx to the position of secretary of the U.S. Department of Transportation (DOT).

“ARSA applauds the Senate’s bipartisanship in confirming Secretary Anthony Foxx. As he takes over the controls at DOT, we look forward to working with him to improve the quality of government oversight and build on the aviation industry’s impressive safety record.”

Repair Station SMS Implementation Survey Results Are In

A February 2013 [study](#) from the [Center for Aviation Safety Research](#) (CASR) at Saint Louis University (SLU) analyzing repair stations safety management system (SMS) implementation indicates the majority (51.5 percent) of repair stations have not started any SMS development activities. The report also finds that larger repair stations are more familiar with SMS and are further along in SMS implementation than are smaller repair stations.

Many disagree about the importance of SMS; 23 percent of respondents either disagreed or strongly disagreed that SMS actually improves safety, whereas 48 percent answered that it does. Survey participants responded similarly when asked if SMS helps repair stations reduce aircraft maintenance errors; 25 percent responded in the negative, while 47 percent said the program does reduce error.

With the FAA working on regulations to require all part 121 operators to implement an SMS, SLU is using its study to assist the agency by looking into possible compliance solutions for part 145 repair stations. The school’s survey includes repair station industry demographics, work performed, aircraft maintained, and knowledge and opinions about SMS application.

For answers to questions about the survey, please contact CASR Program Director [Damon Lercel](#) at 314-977-8527.



A Facility Visit a Day Keeps Bad Policy Away

One of the challenges ARSA faces on Capitol Hill is that many lawmakers don't even know the aviation maintenance industry exists. That is why it's so important to invite elected officials to get a firsthand look at repair stations and the great contributions your company is making to the local economy and aviation safety.

The repair station security rule mandates and the subsequent ban on FAA foreign repair station certificates are an unfortunate example of ill-conceived policies enacted by those who don't understand how the industry operates. VISION-100 (FAA reauthorization legislation enacted in 2003) required the Transportation Security Administration (TSA) to issue security rules for all repair stations by August 2004. When the TSA failed to meet that deadline in 2007, lawmakers demanded the security regulations be completed by August 2008. The penalty for failure to comply: the FAA would be prohibited from issuing new foreign repair station certifications.

Nearly 10 years later, the TSA has failed to issue final repair station security regulations and the FAA prohibition has been in effect for over four years. Even if you're not looking to open an overseas repair station, you should be concerned. The longer the ban is in place, the greater is the chance foreign civil aviation authorities will retaliate by refusing to issue certifications to U.S. repair stations, which will hinder the ability of companies to service overseas customers.

To prevent these harmful policies while pushing legislation that will help the industry (such as permitting the ban on FAA foreign repair station certificates), individual companies need to engage their lawmakers. [Facility visits](#) are the best way to introduce policymakers to your company, your employees, and your industry. ARSA is standing by to facilitate these visits. Please contact us if you would like help identifying candidates. **If you have a lawmaker or candidate visiting your facility, please let ARSA know ahead of time so we can provide you with an update on hot legislative issues and feature your company in *the hotline*.** Remember, congressional staff visiting your facility is as important as the actual member of Congress. These tours are a great way to raise the visibility of your company and your industry.

DOT Sets Semiannual Regulatory Agenda

On July 23, the Department of Transportation (DOT) published a [summary](#) of all current and projected rulemakings, reviews of existing regulations, and complete actions planned for the next 12 months. Included on the agenda are the Federal Aviation Administration's (FAA) current plans for long-term actions for air carrier maintenance training programs.

The [rulemaking](#) would require FAA approval of maintenance training programs of air carriers that operate aircraft type certificated for a passenger seating configuration of 10 seats or more (excluding pilot seats). The public is invited to submit comments on the DOT agenda.

Irked by the Foreign Repair Station Ban?

ARSA continues to work behind the scenes with the aviation maintenance industry's strongest allies on Capitol Hill to introduce legislation to lift the ban on Federal Aviation Administration (FAA) foreign repair station certifications.

The association has maintained for years that Congress should fix the problem it created when, in 2007, it decided to prevent the FAA from issuing new foreign repair station certificates because the Transportation Security Administration couldn't finalize security rules. In mid-March it looked like progress was being made when the Department of Homeland Security sent the rule to the Office of Management & Budget (OMB) for final review. Unfortunately, all indications are that OMB has no desire to complete the rulemaking anytime soon. In other words, industry continues to be penalized by congressional micromanagement and agency inaction.

While ARSA has been sounding the alarm bells with lawmakers, we need your help. In order to get legislation introduced, it takes a combination of the association's legislative team educating Congress and hearing from constituents who provide the votes that send them to Washington. When the two work simultaneously, the legislative process is likely to produce the desired outcome.

So, what can you do to help us move the ball forward? If you have five minutes, use ARSAaction.org to send a pre-written note to your lawmakers urging them to "lift the ban" on FAA foreign repair station certifications. How about ten minutes of your day? Place a letter on your company's letterhead regarding the ban (ARSA's legislative team is standing by to draft the letter for you). If you can spare fifteen minutes, how about [inviting your lawmaker](#) to visit your facility?

We are standing by to assist you any way we can. Contact [Daniel Fisher](#), ARSA vice president of legislative affairs, to learn more about our effort and what you can do to help us move the ball forward.

Three's a Charm: ARSA Member Hosts Congressional Offices

ARSA member Danbury AeroSpace in San Antonio, Texas, hosted facility tours for senior staff of their member of Congress and senators over the course of three days in July.

On July 9, Anna Casanova, constituent services director for Rep. Lamar Smith (R-Texas), member of the House Homeland Security Committee, toured Danbury and spoke with the company's employees about the industry.

On July 10, Mike Koerner, San Antonio regional director for the office of Sen. Ted Cruz (R-Texas), a freshman senator on the Senate Subcommittee on Aviation Operations, Safety, & Security, visited the repair station and learned about ARSA's legislative priorities.

The following day, staffers from Sen. John Cornyn's (R-Texas) local office, Jonathon Huhn and Daniel Mezza, visited the facility. Sen Cornyn is the Senate Minority Whip, the second ranking Republican in the chamber.

Facility visits are a great way to introduce lawmakers and staff to your company and the industry. You never know when you will need the help of your elected representatives, so it's vital to educate them early and often about your business.

If you would like to bring a member of Congress or their staff to tour your repair station, contact ARSA Vice President of Legislative Affairs [Daniel Fisher](#) or Communications Manager [Josh Pudnos](#).

What's at Stake for ARSA Members in the Farm Bill? More than Just the Price of Steak

By Christian A. Klein, ARSA Executive Vice President

If you're paying attention to what's happening in D.C., you might have heard there's a Farm Bill moving through Congress for the first time in several years. The Senate and House both recently passed separate versions and a conference committee will soon begin work on a compromise bill.

ARSA isn't actively lobbying the Farm Bill (we've got our hands full with our campaign to [lift the ban](#) on foreign repair stations), but we're watching one provision with great interest: Sec. 11307 of the House version. That's where the House Agriculture Committee dropped in [the Sound Science Act of 2013](#), which was introduced separately earlier this year by Reps. Stephen Fincher, R-Tenn., and Mike McIntyre, D-N.C., as H.R. 1287.

H.R. 1287 is a bipartisan bill that would make incremental – but important – improvements to the way agencies

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develop policy (regulations, guidance, etc.). It would codify and more rapidly advance an initiative announced by President Obama in 2009 requiring peer review and the disclosure of scientific studies used in making decisions and an opportunity for stakeholder input.

H.R. 1287 would also require federal agencies to give greatest weight to reproducible data that is developed in accordance with the scientific method and have procedures in place “to make policy decisions only on the basis of the best reasonably obtainable scientific, technical, economic, and other evidence and information concerning the need for, consequences of, and alternatives to the decision.”

It's hard to imagine those mandates won't have a positive impact on the work of the FAA and other regulatory agencies – OSHA, EPA, etc. – that affect ARSA members' day-to-day operations.

There are numerous examples of problems in the rulemaking process (FAA's [expansion](#) of drug and alcohol rules in violation of the Reg Flex Act comes to mind). At a time when public trust in government has fallen to an all-time low, legislation like H.R. 1287 can help rebuild voter confidence by ensuring policy decisions are based on reason and repeatable results, not emotion.

To me, the Fincher-McIntyre bill seems like a reasonable way to ensure the federal government relies upon the best data possible when making science-based decisions. Let's wait and see if Congress agrees.

Pennsylvania Lawmakers Eliminate Maintenance Tax

On July 9, the Pennsylvania state legislature passed a bill ridding the state tax code of a six percent levy on aircraft maintenance performed in the state. The exemption also applies to the purchase of aircraft parts and components.

Supporters of the legislation hope the newly passed law will generate major cost savings for aircraft owners and boost Pennsylvania's aviation industry.

A previous version of the bill passed the state House in 2012 but failed to garner enough support in the Senate. The legislation was reintroduced this year as part of an omnibus budget bill that ultimately passed both chambers and was signed into law by Gov. Tom Corbett (R). The exemption goes into effect on Oct. 7, 2013.

Tony Janco Receives Crown Circle Award

On July 3, the National Coalition for Aviation and Space Education (NCASE) [announced](#) the induction of Tony Janco into the Crown Circle, an award recognizing excellence in leadership and innovation in aerospace education.

Janco, the 2011 recipient of ARSA's Leo Westin Award, has more than 35 years of experience in aviation maintenance and now advises the FAA Aircraft Maintenance Division. Over the past four decades, he has developed programs to provide hands-on maintenance experience for kids and worked to draw more students into aviation repair careers.

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ARSA Blog: An Open Letter from Aviation Maintenance Industry to New DOT Sec. Foxx

By Daniel B. Fisher, ARSA Vice President, Legislative Affairs

Dear Secretary Foxx:

Congratulations on being [sworn-in](#) as the 17th Secretary of Transportation. I am writing to introduce you to a sector of the economy that is expanding and growing across the country—the aviation maintenance industry.

The industry comprises companies that hold [repair station certificates](#) issued by the FAA under part 145 of the Federal Aviation Regulations. These certificates are the industry's "license to do business." They authorize repair stations to perform maintenance and alterations on civil aviation articles, including aircraft, engines, and propellers. The certificates also permit maintenance on the components installed on these products. Certificated repair stations perform maintenance for airlines, the military, and general aviation owners and operators.

Repair stations are thriving across the country, and the aviation maintenance sector is one of the top reasons aerospace is the United States' leading export. A [recent study](#) by ICF SH&E determined that the global Maintenance, Repair and Overhaul (MRO) market exceeded \$65 billion in 2012, with North America (the United States 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 a half billion dollars.

The contract maintenance industry is a stable and growing sector of the economy. According to ARSA's 2012 member survey, there is optimism about economic prospects in 2013; 65 percent of survey respondents expect business and markets to grow.

While the aviation maintenance industry continues expanding, there are many looming threats to the sector. In particular, we look forward to working with you to ensure FAA guidance, policy, and interpretations are clear, concise, and consistently applied. Additionally, U.S. competitiveness in the international arena is undermined by a congressional restriction on the FAA's ability to certificate new foreign repair stations.

A provision in VISION-100, an FAA reauthorization law enacted in 2003, required the TSA to issue security rules for all aviation repair stations by August 2004. When the TSA failed to meet that deadline, lawmakers (in the 9/11 Recommendation Implementation Act) demanded the security regulations be completed by August 2008. The penalty for the TSA's failure to comply: Congress prohibited the FAA from issuing new foreign repair station certifications. This ban undermines U.S. leadership in maintenance services and prohibits American companies from competing in rapidly emerging markets, ceding this work to competitors certificated by other civil aviation authorities.

Nearly five years later, the TSA has yet to issue final repair station security regulations and the FAA remains banned from issuing new foreign repair station certificates. Given the TSA's lack of progress toward finalizing repair station security rules, the DOT and FAA should work with the industry to urge Congress to allow the FAA to certificate new foreign repair stations once again. Prohibiting one federal agency (FAA) from doing its job because another (TSA) is ignoring congressional mandates is bad policy, does not work, and is hurting the industry's global competitiveness. We look forward to working with you to ensure the FAA is allowed to do its job and once again certificate new foreign repair stations.

Repair stations have long been, and continue to be, a vital part of the aviation industry and our nation's economy. As the U.S. economy recovers, we should nurture small and medium-sized aviation maintenance companies, not obstruct their ability to export and compete internationally. In order for repair stations to

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compete globally, policymakers must refrain from micromanaging the aviation maintenance sector. ARSA looks forward to working with the Department of Transportation to ensure the global competitiveness of the aviation industry.

Sincerely,
The Aviation Maintenance Industry

ARSA Blog: What Does the Royal Baby Have to Do With Repair Stations

By Josh Pudnos, ARSA Communications Manager

Nothing, of course!

Isn't it frustrating when people make false assumptions and illogical conclusions? There are still some who believe contract maintenance's superb safety record is anything but. Of course, we know different. As we've told congressional panels, regulators, and the media, good safety is good business. Moreover, the same safety rules, standards, and regulations apply to FAA-certificated maintenance work wherever it is performed.

In the coming days, ARSA is launching AvMRO.ARSA.org, a new website to ensure lawmakers, regulators, and the public have a definitive source of information on aviation maintenance. AvMRO.ARSA.org will house industry economic data, an explanation of the MRO industry, information about the workforce, and the latest industry news.

The next time someone from the media asks for background on the industry or you hear a detractor make wild accusations about maintenance, you'll know where to politely direct them. Keep an eye on ARSA.org for the formal roll-out of AvMRO.ARSA.org.

Legislative News

House Bill Jump Starts Small Aircraft Innovation

On July 16, the U.S. House of Representatives approved legislation sponsored by Rep. Mike Pompeo, R-Kan., that would update regulations to certificate the manufacturing of small airplanes to improve safety, decrease costs, and unleash private-sector creativity.

The Small Airplane Revitalization Act ([H.R. 1848](#)) requires the FAA to issue a final rule based on the Part 23 Reorganization Aviation Rulemaking Committee's recommendations by the end of 2015. To address outdated regulations that hinder innovation and inhibit release of modern safety technologies, the bill would allow the industry and regulators to develop a more consensus-based compliance standard.

Companion legislation ([S. 1072](#)) has been introduced in the Senate by Sens. Amy Klobuchar, D-Minn., and Lisa Murkowski, R-Alaska. Stay tuned as ARSA continues to follow the effort to streamline small aircraft certification.



Legal Briefs

The Unending Major Pain

Classifying repairs and alterations as major or minor has been a source of confusion to the Federal Aviation Administration (FAA), and therefore the aviation industry, for many years. In fact, the problem dates back to 1931, when the first regulation governing this activity was issued.

The Department of Commerce, regulated aviation under its Aeronautics Branch, issued Aeronautics Bulletin No. 7-H specifying that a “licensed aircraft or a major component thereof” that “has been damaged to such an extent that it constitutes a major repair in the judgment of the Department of Commerce inspector” warranted heightened requirements under the regulations. While certificated repair stations were able to make major repairs “in accordance with the original design on aircraft of the class or classes of structure specified in the terms of its certificate,” any other instances of major repair required approval of technical data and inspection by the agency’s representative.

By the end of the decade, the Civil Aeronautics Authority was created as an independent agency to fulfill the duties of the Aeronautics Branch. The 1931 regulation transformed into 14 CFR [part 18](#), the predecessor to [part 43](#). In 1940, part 18 addressed both major and minor repairs, but not major or minor alterations.

In 1942, definitions of major and minor alterations appeared; the regulation defined minor alterations in detail and classified major alterations as “all alterations not within the definition of minor alterations.” Fast forwarding to the current definitions in [14 CFR § 1.1](#), the approach is opposite: major repairs and alterations are defined in detail whereas minor repairs and alterations are described as “other than...major.”

While this one-or-the-other approach may seem simplistic, it makes sense: the regulatory requirements for major and minor are different. Thus, from a practical standpoint there cannot be any crossover.

So what else do the current regulations have to say about major versus minor repairs and alterations? It is best to start with the difference between a repair and an alteration. Since [14 CFR § 1.1](#) does not define either term, we look to part [14 CFR § 43.13](#), which requires an article be returned “to its original or properly altered condition.” Therefore, a repair is an action that returns the article to its “original” condition, while an alteration creates a “properly altered” condition, or a “new original” (airworthy) condition.

After determining the activity is a repair or an alteration (or, indeed, has aspects of both), the next query is whether the action will be major or minor. [Section § 1.1](#) gives the parameters for an evaluation.

For a repair, the first consideration is whether it is “improperly done.” There are two components to that evaluation: (1) What would happen if the action is improperly designed, and (2) What would happen if the repair is improperly implemented.

With respect to an alteration, however, the first consideration is whether the planned action is “listed in the [product’s] specification,” a definition that is elusive. There is no help in any regulations or FAA guidance materials, and there are several ways the term can be interpreted. One way to interpret product specification is as the configurations available from the type design or supplemental type certificate; if it is contained in the type design, the installation or change to a product is *not* major. On the other hand, the agency takes the position that changes to an existing product that impact airworthiness characteristics are major alterations even if the type certificate or type design includes all potential configurations and service bulletins are available to change from one to the other. In other words, the evaluation applies to the product being worked on, no matter what is available or possible under the type design or from a design approval holder, e.g., the type certificate holder.

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The last evaluations are the same for both major repair and major alteration. First, whether the action can be done “according to accepted practices or...by elementary operations.” Accepted practices include standard procedures from or by the government (FAA, Department of Defense, etc.), the design or production approval holder, or an industry source.

What is elementary for one mechanic or repair station may not be elementary for another. To determine whether the operation is elementary, make sure it is in writing and repeatable, and whether it requires special education or training to accomplish in a standard (repeatable) manner. Even if it is in writing and repeatable, the action could be considered major if the technician performing the required methods, techniques and practices needs special training.

Finally, there is the consideration of whether the action (again, either repair or alteration) “might appreciably affect weight, balance, structural strength, performance, powerplant operation, flight characteristics, or other qualities affecting airworthiness.” That determination must consider the *measurable* impact on the article, the system, and the product under the applicable airworthiness standards.

The purpose of the entire evaluation is to eliminate the determination of “major” so the action defaults to minor under the regulations. The technical and engineering data required to make the determination will always be used to substantiate the action taken. Indeed, that data can be “approved” if it is determined the action is major. If the work performed is questioned by the agency, documentation of the determination will help ensure the result was airworthy, reducing anxiety and therefore the possibility of legal enforcement.

Ultimately, there are three reasons why you should care whether something is major or minor: (1) The recordkeeping requirements differ, (2) The persons who can approve the work for return to service differ, and (3) The substantiating data supporting a major action must be approved by the Administrator.

Recordkeeping for major repairs and alterations requires more paperwork; [Appendix B](#) to part 43 requires major repairs or alterations to be documented on a Form 337. If the major repair is performed by a repair station “in accordance with a manual or specifications acceptable to the Administrator,” a work order with specified language will suffice; however, all major alterations require a Form 337 (unless another document is required by an air carrier or commercial operator under parts 121 or 135).

As for approving work for return to service, [14 CFR § 43.9](#) allows the person performing minor repairs and alterations to approve that work for return to service. However, if the repair or alteration is major, only an air carrier, appropriately rated repair station, or a mechanic with an inspection authorization may issue the approval for return to service.

Finally, there are requirements in parts [65](#), [121](#), [135](#), and [145](#) that major repairs and major alterations be performed in accordance with FAA-approved technical data, which should be referenced in the maintenance record.



The International Aerospace Quality Group (IAQG) is a cooperative global organization that brings aviation, space and defense companies together to deliver more value at all levels of the supply chain. The Americas Aerospace Quality Group (AAQG) is a cooperative organization within the aerospace industry in the Americas (including North, Central and South Americas). Its processes are established in a set of agreed, documented, operational procedures.

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

ARSA on the Hill

By Daniel B. Fisher, ARSA Vice President, Legislative Affairs

In July, ARSA continued to work behind the scenes with the aviation maintenance industry's strongest Capitol Hill allies to introduce legislation to lift the ban on FAA foreign repair station certifications. If you're interested in joining our push, please contact [me](#). It takes a combination of the association's legislative team educating Congress and hearing from constituents about the issue to get a bill introduced.

The legislative team is actively working to schedule lawmaker visits to ARSA member facilities during the August congressional recess. We have several already set up, but it's not too late to get one on the calendar. Facility visits are the best way to educate policymakers about the industry and your business while raising your company's visibility. Building relationships with your congressional delegation when things are calm is much better than waiting until you might actually need their assistance. To learn more or arrange for your lawmaker to visit your company, contact [Josh Pudnos](#).

ARSA was represented at the Aeroclub of Washington's July luncheon featuring Homeland Security Secretary Janet Napolitano. Her remarks focused on passenger screening efficiencies and cargo security.

ARSA PAC delivered campaign support to [Congressman Steve Daines](#), R-Mont. Daines, a member of both the [House Aviation Subcommittee](#) and the [House Homeland Security Committee](#), has been a strong advocate for free enterprise and entrepreneurship during his congressional tenure.

To ensure lawmakers like Rep. Daines return to Capitol Hill, ARSA PAC is making a summer push for more members to [grant solicitation consent](#). Federal election law requires ARSA members to give prior approval before ARSA PAC can provide more details about its political activities. Giving consent does not obligate you to do anything; it just allows ARSA to communicate with you about the association's political activities.

Regulatory Outlook

Drug and Alcohol Testing: The Inconsistent Truth

Federal Aviation Administration (FAA) certificated air carriers and repair stations performing work on their behalf in the United States are [required](#) to conduct drug and alcohol testing for employees and contractors performing "safety-sensitive functions." These individuals can be randomly tested for drug and alcohol use and are also subjected to post-accident and reasonable cause testing, among others. A 2006 [final rule](#) by the FAA clarified that maintenance subcontractors "at any tier" must also undergo testing.

There are several practical and legal issues associated with requiring drug and alcohol testing for foreign aviation maintenance and air carrier workers because of the varying privacy laws in each country. In Germany, for example, it is illegal to require workers to submit to random drug and alcohol tests.

The International Civil Aviation Organization (ICAO) provides the international safety framework for civil aviation, but it's up to the member states to adopt their own rules or validate other National Aviation Authority (NAA) regulations that comply with ICAO standards. The organization has no formal enforcement mechanism; however, states may prohibit operators from entering their airspace if they and/or their NAA do not comply with ICAO requirements. An example of this is Australia, which tests all safety sensitive crewmembers operating on Australian soil regardless of country of origin. The more common practice is for member States to simply file a "difference" between their regulations and ICAO requirements.

ICAO prohibits individuals from performing safety-critical functions while under the influence of any psychoactive substance. However, the organization merely recommends drug and alcohol testing similar to the

FAA requirements. In 1994, the FAA proposed drug and alcohol testing of foreign air carrier employees when they operated to or from the United States under 14 CFR part 129. However, the agency [withdrew](#) it in 2000, preferring instead to develop a multilateral solution through ICAO.

ARSA is an advocate for fairness and consistency in regulatory application across the board, and sees neither of those traits in compelling non-certificated domestic maintenance contractors “at any tier” to submit to one standard, but not applying that consistent logic and expectation to foreign certificate holders performing safety-sensitive functions in the U.S.

Final Documents/ Your Two Cents

This list includes Federal Register publications, such as final rules, Advisory Circulars, and policy statements, as well as proposed rules and policies of interest to ARSA members. *Read more at* <http://arsa.org/final-documents-your-two-cents/>.

Quality Time

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

Employment Benefit Plans After the Defense of Marriage Act (DOMA) Decision

The U.S. Supreme Court’s decision in [United States v. Windsor](#) made it clear that couples who married in states that recognize same-sex marriage are entitled to the same federal protections and privileges as traditional marriage.

The decision affects the administration of employee benefit plans, including sections of the Internal Revenue Code (IRC) and Employee Retirement Income Security Act (ERISA). The transition should be relatively easy for states that recognized same-sex marriages (14 states at last count).

The Court, however, did not address Section 2 of DOMA, which provides that no state “shall be required to give effect to any public act, record, or judicial proceeding of any other state... respecting a relationship between persons of the same-sex that is treated as a marriage under the laws of such other state... or a right or claim arising from such relationship.” So what happens if a couple legally married in one state moves where a same-sex marriage is not recognized? There are no answers readily available; however, it is likely the federal regulations will recognize same-sex marriages for benefit plans in states where same-sex marriages are unlawful.

Meanwhile, employers should consider the implications of the Supreme Court decision and identify which plan administration areas will be affected when determining beneficiary/survivor rights under 401(k) and other pension plans. For example, administrators for both self-funded and insured health plans must consider how to approach same-sex spouses as dependents, spousal COBRA obligations following a qualify event, and structures of health flexible spending accounts. Employers will need to review and likely revise payroll taxes and withholdings since health coverage for same-sex spouses is no longer a taxable benefit under the IRC.

In the short term, employers, especially multi-state employers, should be prepared to respond to questions and to address issues when an enrollment or benefits decision needs to be made for a same-sex couple and should be prepared to amend plan documents and summary plan descriptions. Employers cannot go wrong by taking a reasonable and good-faith approach applied on a consistent basis.

Authority to Bind – “You Did What?”

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

Steven is a counselor to businesses operating in high-risk industries, including aviation. He provides templates, tools, and training to improve contracting efficiency, close deals faster, and control costs.

“**IN WITNESS WHEREOF**, the Parties hereto have caused this Agreement to be executed by their officers or duly authorized representatives.”

Usually, just above the signature block of most contracts, this short representation doesn’t get much attention. So, just who are these officers and duly authorized representatives? Do they actually have the ability to legally bind their company; are they acting within their authority?

We exercise our understanding of authority on a daily basis. In our personal lives, for example, we sign a check for a purchase or authorize a medical provider to access our private health information. Likewise, most married folks check in with their spouse before committing to a “big” purchase or bringing home a new puppy. The failure to do so can result in the “you did what?” conversation – it’s generally better to avoid this result.

The same is true for businesses. Officers and/or employees in a business have certain levels and limits of authority. For officers (and perhaps directors) it should be expressed in writing as part of the corporate bylaws. For managers and staff it should be in a job description, but is more likely acquired by implication over time as part of job responsibilities and work assignments. Just like our personal lives, if we overstep our bounds, the boss will no doubt begin the conversation with: “You did what?” This can, however, lead to legal counsel declaring, “You didn’t have authority to do that.” Another result that is best avoided.

How is corporate authority obtained? How can we better understand when to seek confirmation of corporate authority? The answer lies in part in understanding the source of your authority and how actions bind companies.

Authority to legally bind a business or create an enforceable contract typically comes in one of two forms: “**actual**” or “**apparent**” authority. These sources of authority are quite different, but can be equally binding. The differences are keys to better decision making in day to day work, and ultimately protect from unwanted results.

It is generally good law that a principal (i.e. company) is responsible for the actions of its agents. Without describing the exceptions to this broad statement, the authority to bind a business is often specifically granted to officers (and perhaps directors) as part of the written corporate bylaws or other approved corporate resolutions. These approvals may come with limitations on the scope and/or dollar value of the authority for officers depending on their level in the organization. This is often referred to as a “signature authority” or an authority matrix. Approval to bind a business in this way is referred to as “**express**” **actual authority**. Express actual authority need not be in writing; you can also get it orally from a superior to do a particular task or represent that you are authorized to bind the business.

The other way businesses provide actual authority is through “**implied**” **actual authority**. Implied authority is usually the result of an individual understanding they are authorized to perform similar functions in the future after a pattern of approvals to perform certain tasks or the ability to serve as a representative to authorize the binding of a business.

Separate from actual authority (express or implied) is “**apparent**” authority, which is viewed from the third person. It is the other party to the contract and how they view the representations by you (and the business) that determine whether the contract will be considered legally binding. If the third party can be seen as reasonably viewing your representations and actions as those of the business, then it is more likely that such reliance will result in a binding contract or obligation. It is apparent authority that can create unexpected risk for

a business because the business is not in control of how the third party views the facts that created the authority to bind.

If you are unsure of whether you have actual authority to perform a particular task or make certain representations it is best to ask first – before you bring home that new puppy.

Membership

Member Spotlight: Dallas Airmotive, Grapevine, Texas

Dallas Airmotive began repairing and overhauling aircraft piston engines in 1932 at Dallas Love Field. The company quickly moved into turbine engine repair and overhaul to keep pace with the new and increasingly sophisticated engines introduced beginning in the 1950s. In 1997, Dallas Airmotive was acquired by BBA Aviation plc, a global leader in aviation support and aftermarket services. Today, Dallas Airmotive focuses on servicing turbine engines used by business and general aviation, government, military, airline, and rotor wing operators all around the world.

Dallas Airmotive is one of the leading independent OEM-authorized turbine engine repair and overhaul organizations in the world. Working with these OEMs, Dallas Airmotive is proud to have developed many of the repair and overhaul techniques that are standard in the industry today.

Ian Cheyne, chief technical & regulatory officer of BBA Aviation, represents engine maintenance on ARSA's Board of Directors.

For more information, visit <http://www.bbaaviationero.com/dai>.

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

Have You Seen This Person?

Each month, ***the hotline*** spotlights key regulatory, legislative, and business leaders making important contributions to the aviation industry. This month we look at Rep. Bill Shuster, R-Pa., chairman of the House Transportation & Infrastructure (T&I) Committee.

Rep. Bill Shuster, chairman of the House T&I Committee

Rep. Bill Shuster, R-Pa., was named chairman of the House Transportation & Infrastructure Committee last November following the 2012 elections. He served on the committee since coming to Congress in 2001. Shuster previously chaired the Subcommittee on Railroads, Pipelines, & Hazardous Materials and the Subcommittee on Economic Development, Public Buildings & Emergency Management.

The T&I Committee has jurisdiction over all modes of transportation: aviation, maritime and waterborne transportation, roads, mass transit and railroads.

Prior to his congressional election, Shuster gained valuable marketing and management experience with the Goodyear Tire & Rubber Corporation and Bandag Incorporated. He is also an experienced small businessman, having owned and operated an automobile dealership in East Freedom, Pa.

Shuster received a Bachelor of Arts in political science and history from Dickinson College and a master's of business administration from American University in Washington, D.C.

He resides in Hollidaysburg, Pa., with his wife and two children.

A Member Asked...

Q: What technical data is required to approve work on a parts manufacturer approval (PMA) article for return to service when you do not have instructions from the PMA holder?

A: [14 CFR § 145.109\(d\)](#) requires a repair station to “maintain, in a format acceptable to the FAA, the documents and data required for the performance of maintenance, preventive maintenance, or alterations under its repair station certificate and operations specifications in accordance with part 43.”

[14 CFR § 43.13\(a\)](#) requires that “each person performing maintenance, alteration, or preventive maintenance on an aircraft, engine, propeller, or appliance shall use the methods, techniques, and practices prescribed in the current manufacturer’s maintenance manual or Instructions for Continued Airworthiness (ICA) prepared by its manufacturer, or other methods, techniques, and practices acceptable to the Administrator, except as noted in [§ 43.16](#)...”

So the work must be performed in accordance with: (1) methods, techniques, and practices contained in the manufacturers’ manuals, or (2) methods, techniques, and practices contained in the ICA, or (3) other methods, techniques, and practices acceptable to the Administrator.

A few examples of acceptable documents include: manufacturer documents (ICA), operator engineering orders, maintenance/alteration instructions substantiated by DER-approved technical data, repair station work instructions, industry standards and specifications, and Advisory Circulars.

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 next webinar on August 7, titled “Major Minor Primer,” will feature Sarah MacLeod, managing member, Obadal, Filler, MacLeod & Klein, and executive director, ARSA. *Read more and register at <http://arsa.org/training-2/online-training/>.*

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component control

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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.

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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/>.

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

2013 Fall Communications/Public Policy Internship

Obadal, Filler, MacLeod & Klein (OFMK), a boutique law firm in Alexandria, Va. (across the river from Washington, D.C.), specializing in regulatory and legislative issues facing the aviation and construction industries, currently has an opening for its fall communications internship starting Sept. 3. To apply visit <http://potomac-law.com/internship-opportunities/>.

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 \$65 billion industry and its vital importance to global civil aviation. To accomplish this goal, ARSA monitors media coverage on 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.](#)

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International News

EASA Welcomes Newest Member Croatia

On July 1, Croatia became the 28th member state of the European Union and received full membership status in the European Aviation Safety Agency (EASA).

Over the last six years, EASA has worked with the Central European country to make the transition to the new regulatory regime. The agency assisted in concluding bilateral working arrangements, technical assistance, and support programs such as the EASA Instrument for Pre-Accession Assistance.

As part of the European trade bloc, Croatia's aviation industry will also enjoy reduced taxes and greater access to the Union's integrated economy.

The expansion is the first since 2007, when Bulgaria and Romania were accepted into the trade bloc.

International Roundup

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

[AMS Welcomes New Clients and Expands to East Africa](#) (*Rotor*)

[Fokker Services Opens Component Repair Shop in Singapore](#) (*AviTrader*)

[Delta Air Lines Opens First Latin American Technical Operation Line Maintenance in Sao Paulo](#) (*AviTrader*)

[Melbourne Airport Poised for 100 New Jobs](#) (*Hume Weekly*)

[India Could Be Huge Attractor of MRO Business: AirAsia Chief](#) (*Zee News*)



Welcome New Members

[Cox & Company, Plainview, N.Y.](#)

[Oxigeno, Mexico City, Mexico](#)

[Performance Repair Group, Memphis, Tenn.](#)

Upcoming Events

[FAA Regulations and International Cooperation: A Primer for U.S. Exporters](#)— Oct. 22, 2013

[FAA Regulations and International Cooperation: A Primer for U.S. Exporters](#)— Oct. 23-25, 2013

[AVM Summit, USA](#) – November 21-22, 2013 – Nov. 21-22, 2013

[ARSA Annual Repair Symposium and Legislative Fly-In](#) – March 19-21, 2014

ARSA regulatory compliance training—Questions

Part 1: General Comprehension

Level 1: For anyone working in aviation

§ 145.53 Issue of Certificate

(a) Except as provided in paragraph (b), (c), or (d) of this section, a person who meets the requirements of this part is entitled to a repair station certificate with appropriate ratings prescribing such operations specifications and limitations as are necessary in the interest of safety.

(b) If the person is located in a country with which the United States has a bilateral aviation safety agreement, the FAA may find that the person meets the requirements of this part based on a certification from the civil aviation authority of that country. This certification must be made in accordance with implementation procedures signed by the Administrator or the Administrator's designee.

(c) Before a repair station certificate can be issued for a repair station that is located within the United States, the applicant shall certify in writing that all "hazmat employees" (see 49 CFR 171.8) for the repair station, its contractors, or subcontractors are trained as required in 49 CFR part 172 subpart H.

(d) Before a repair station certificate can be issued for a repair station that is located outside the United States, the applicant shall certify in writing that all employees for the repair station, its contractors, or subcontractors performing a job function concerning the transport of dangerous goods (hazardous material) are trained as outlined in the most current edition of the International Civil Aviation Organization Technical Instructions for the Safe Transport of Dangerous Goods by Air.

Question 1: All foreigners seeking a repair station certificate must go through the same process as a domestic repair station.	Question 2: All hazmat employees must receive special training before the repair station certificate will be issued for repair stations located in the United States.
A—True. B—False.	A—True. B—False.
Question 3: All hazmat employees must receive special training before the repair station certificate will be issued for repair stations located outside the United States.	Question 4: If paragraphs (b), (c), and (d) do not apply to the applicant, and the applicant meets all other requirements, the applicant is entitled to a repair station certificate with appropriate ratings.
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**

§ 145.53 Issue of certificate.

- (a) Except as provided in paragraph (b), (c), or (d) of this section, a person who meets the requirements of this part is entitled to a repair station certificate with appropriate ratings prescribing such operations specifications and limitations as are necessary in the interest of safety.
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- (c) Before a repair station certificate can be issued for a repair station that is located within the United States, the applicant shall certify in writing that all “hazmat employees” (see 49 CFR 171.8) for the repair station, its contractors, or subcontractors are trained as required in 49 CFR part 172 subpart H.
- (d) Before a repair station certificate can be issued for a repair station that is located outside the United States, the applicant shall certify in writing that all employees for the repair station, its contractors, or subcontractors performing a job function concerning the transport of dangerous goods (hazardous material) are trained as outlined in the most current edition of the International Civil Aviation Organization Technical Instructions for the Safe Transport of Dangerous Goods by Air.

<p><u>Question 1:</u> All foreigners seeking a repair station certificate must go through the same process as a domestic repair station.</p>	<p><u>Question 2:</u> All hazmat employees must receive special training before the repair station certificate will be issued for repair stations located in the United States.</p>
<p>A—True.</p> <p>B—False. (If the applicant's country has a bilateral agreement with the US, FAA may accept that country's civil aviation authority's certification)</p>	<p>A—True. (All hazmat employees, contractors and subcontractors must be trained as required in 49 CFR part 172 subpart H)</p> <p>B—False.</p>
<p><u>Question 3:</u> All hazmat employees must receive special training before the repair station certificate will be issued for repair stations located outside the United States.</p>	<p><u>Question 4:</u> If paragraphs (b), (c), and (d) do not apply to the applicant, and the applicant meets all other requirements, the applicant is entitled to a repair station certificate with appropriate ratings.</p>
<p>A—True. (All hazmat employees, contractors and subcontractors must be trained as required under ICAO's Technical Instructions for the Safe Transport of Dangerous Goods by Air)</p> <p>B—False.</p>	<p>A—True. (If the applicant meets all requirements, and paragraphs (b), (c), and (d) do not apply to the applicant the applicant is entitled to a repair station certificate with appropriate ratings.)</p> <p>B—False.</p>

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