

# AMROBA<sup>®</sup>inc

AVIATION MAINTENANCE REPAIR & OVERHAUL BUSINESS ASSOCIATION, INC  
ADVOCATE OF THE AVIATION MRO INDUSTRY

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## NEWSLETTER

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### 1. Progress is being made – now to reduce the time factor.

It has taken some time for CASA to restructure and this has held up progressing regulatory reform in the airworthiness and engineering sectors. The restructuring going on in the Federal Education Department regarding “Skill Councils” has not yet finished – this also affects the proposed AME trade training changes from being implemented quickly. However, two areas that can be progressed almost immediately is harmonising CASR 21 Subpart J and implementing changes to the foundations underpinning airworthiness standards. Performance based – less prescription.

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*The rate of change must be faster than the last decade. Regulatory reform should not be a career, consideration must be given to industry sustainability.*

### 2. Regulatory Missing Airworthiness Elements.

The basis of any national aviation regulatory system is the responsibility of aircraft registered operators to maintain their aircraft in an “airworthy” condition, especially when a country opts to have an indefinite period of validity for certificates of airworthiness. ICAO Annex 8 clearly states that an indefinite period of validity must be supported by a “periodic inspection” & “on-going inspections” that attests the aircraft continues to meet (conformity) its design standards and is safe for flight.

Not in CARs/CASRs.

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*Inspecting, maintaining and certifying as airworthy was removed in 1990 and replaced with maintaining iaw “approved maintenance data”. Very different*

### 3. US manufacturers’ trends increasing costs to ROs.

US manufacturers are making changes to their manuals to increase the manufacturers’ commercial profitability not safety. Because the FAA does not approve OEM manuals, they can include requirements to return items to them for maintenance. They can also repackage standard parts with a manufacturer part number under the guise of improved “quality control” and increase the price beyond belief. Also there is a trend for US manufacturers to then increase mandatory replacement items.

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*These practices were introduced some 30 years ago and were reduced by NAA intervention. FAR Part 43 provisions needed.*

### 4. Part 145 Post Implementation Review next.

With CASA now committed to a Post Implementation Review of CASR Part 66, AME licensing, the next task must be the Post Implementation Review of CASR Part 145 to simplify and harmonise with best practices. Part 145 needs to have the ability to apply applicable standards for various levels and sizes of AMOs. The recently amended FAR Part 145, unlike the EASR Part 145, has addressed this issue. We need to enable management from “directly supervised organisations” to large corporate management structures without getting specific.

Performance based – less prescription.

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*When CAR 30 was introduced in 1990, it over-regulated small AMOs that only maintained private aircraft. Time to re-assess.*

### ***1. Progress is being made – now to reduce the time factor.***

It has taken some time for CASA to restructure and this has held up progressing regulatory reform in the airworthiness and engineering sectors. The restructuring going on in the Federal Education Department regarding “Skill Councils” has not yet finished – this also affects the proposed AME trade training changes from being implemented quickly. However, two areas that can be progressed almost immediately is harmonising CASR 21 Subpart J and implementing changes to the foundations underpinning airworthiness standards. Performance based – less prescription.

**Engineering:** This is where CASA can gain respect by harmonising fairly quickly and implementing a PIR of CASR Part 21 Subpart J, Design Organisations – CASRs are out of step with EASRs and FARs. This needs to be followed by a PIR of CASR Part 21 Subpart G, Production Approvals, which are out of step with FAR Part 21 Subpart G which was amended by the FAA to streamline and reduce costs to PAHs and the FAA. This PIR should follow the PIR of Part 21 Subpart J.

**Airworthiness:** The training elements of the Part 66 Post Implementation Review (PIR) should not hold up the promulgation of a workable AME licencing system. The Part 66 PIR should have all the basic principles in place by the end of the year. Once this is addressed, Part 145 needs a PIR. Both these PIR projects will have consequential changes to implement basic elements of an airworthy regulatory system. See item 2.

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### ***2. Regulatory Missing Airworthiness Elements.***

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This subject was raised at the DAP meeting in Canberra on 14/7/2016. It is the basis of any aviation regulatory system that is consistent with ICAO. It now needs commitment from CASA to adopt it as a basic principle underpinning its regulatory reform. It had been addressed in regulatory reform pre Byron’s tenancy. Since then, there has been no commitment to make it a foundation principle to regulatory reform. It is the basic principle for safe aviation maintenance practices.

All operational Annexes to the Convention states the operator must maintain his/her aircraft in an airworthy condition. Inspection & maintenance standards contained in Annex 8, Certification Standards, and AME licencing Annex 1, state inspection and maintenance standards based on continuing to comply with “airworthiness standards”.

The naivety of those developing the regulatory suite in 1990 created a lower regulatory standard when compared to ICAO and the State of Design/Manufacture of the vast majority of aircraft on CASA’s register, especially in the non-major airline sectors. In hindsight, no post implementation review was carried out in the early 1990s but the Morris Inquiry listened to industry, especially the general aviation communities, regarding the damage the early amendments to the CARs had done.

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Look at the number of AOC and AMO holders that disappeared in the first 5-7 years of the CAA regulating aviation. 1988 to 1995 saw many AOCs and AMOs disappear from mainly rural Australia.

AMROBA has spent a decade trying to convince those in CASA that obviously refused to understand the principles of the Convention and its Annexes. Now that they are no longer pursuing their personal agendas, there is a good chance that current CASA personnel will steer future regulatory reforms to practically augment industry safe best practices.

Unless the basic foundation regulatory principles are right, any regulatory changes will be flawed. Get this foundation requirement implemented and then we may get rid of the unique classification of aircraft for operational purposes – remove “Class A & Class B” definitions.

A sensible and practical aviation regulatory system enables the NAA (CASA) to determine an aircraft needs on level of control irrespective to its operational status. Airworthy means conformity to “applicable” design standards and safe for flight.

Skidmore now knows this and will support a return to this basic principle.

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### ***3. US manufacturers trends increasing costs to ROs.***

US manufacturers are making changes to their manuals to increase the manufacturers' commercial profitability not safety. Because the FAA does not approve OEM manuals, they can include requirements to return items to them for maintenance. They can also repackage standard parts with a manufacturer part number under the guise of improved “quality control” and increase the price beyond belief. Also there is a trend for US manufacturers to then increase mandatory replacement items.

One of the greatest differences to our regulatory system is the application of the Macquarie Dictionary to Australian law. This has a marked difference when interpreting US aviation regulatory definitions regarding ‘overhaul’ (US ‘rebuilt’) and ‘repair’ (US ‘overhaul’). When USA manufacturers and regulatory standards refer to ‘overhaul’ they are referring to a repair manual. This difference in interpretation means application of different practices in Australia than the FAR system. To understand and use USA manufacturers' data correctly, the same regulatory requirements as the FARs has to be applied within Australia to maintain the same standards & cost factors applied in the USA.

Manufacturers have for many years introduced, from time to time, into their data changes to improve the profitability of their business to the detriment of AMOs, mainly outside the country of design/manufacture. It doesn't help when CASA supports them in preference to CASA approved AMOs who CASA approved to do the same work.

***AWB 28-015 Issue : 1 Diesel Fuels***

***NOTE: 2. Unless otherwise specified continued use of these fuel for more than 1,000 hours is allowed provided periodic fuel nozzle inspection results are found acceptable by P&WC.***

What CASA advises is for us to rely on the manufacturer's assessment only!!! This does not support the CASA approved AMOs servicing Australian registered aircraft.

One would expect CASA to defend its own approved AMOs and depend on CASA approved AMOs specialising in fuel injector servicing to make that assessment. If P&W has

not provided the supporting maintenance data then P&W, and the NAA, should be reminded of their international obligation to provide the applicable maintenance data.

CASA's predecessors have done this in the past.

Because of our difference in interpretation of "overhaul", we tend to "rebuild" to new standards instead of overhauling to in-service tolerances. This needs clarification so USA manufacturers' manuals can be understood properly.

Another trend that is happening, to improve OEM's bottom line, is the labelling, by the OEM, of "standard parts" with OEM part numbers. This has a safety reason in some cases, but, in other circumstances it is about improving the bottom line of the OEM.

McCauley propellers have, to improve quality control, not only provided part numbers for such items, but included many into their list of "mandatory items to be replaced at overhaul".

This process stops, under our regulatory system, an inspection of standard parts and continue use of the item if it is serviceable and meets the standard. This all adds costs to the customer. E.g. 60 cent standard washers jump to over \$5.00.

Harmonisation with the FAR Part 43 regulatory system is imperative whilst ever the aircraft fleet is mainly US manufactured aircraft and products.

However, the FAA states: *A part is no longer considered "standard" if it is used in a critical application that imposes qualification or quality control requirements beyond the standard specification.* This enables manufacturers to add their quality control to justify profits.

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#### **4. Part 145 Post Implementation Review next.**

With CASA now committed to a Post Implementation Review of CASR Part 66, AME licensing, the next task must be the Post Implementation Review of CASR Part 145 to simplify and harmonise with best practices. Part 145 needs to have the ability to apply applicable standards for various levels and sizes of AMOs. The recently amended FAR Part 145, unlike the EASR Part 145, has addressed this issue. We need to enable management from "**directly supervised organisations**" to large corporate management structures without getting specific. Performance based – less prescription

The basis of any organisation structure, especially in an industry associated with having a safety culture, is better described as a communication structure. CASA's concern is 'safety' so their primacy is for each approved operator/organisation is about the communication organisation structure that an approved operator/organisation uses to maintain a safety culture.

A successful "communication structure" has always resulted in an operating "just culture" that supports a visible safety culture.

Aviation safety relies on open and positive communications throughout the business. It is not about a perceived business management structure based on business and financial structures.

For instance, in a small organisation, communications is personal as the boss is also a worker. This is the simplest form of direct supervision that implements a safety culture. If the boss is not committed to safety then the same business will not have a 'just culture'.

Paperwork does not implement or ensure a "just" or "safety" culture. Attitude from the top down has the greatest influence on safety and just cultures. Excellent communications lift both.

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Supervisors often function as a go-between in communicating instructions from top managers to reporting feedback from their employees. They also lead discussions within their work groups. Employees also appreciate an approachable supervisor who they can go to when they need additional advice in a challenging situation. Supervisors do make mistakes. Just as supervision can have positive effects on an organization, it can also cause damage if they abuse or misuse their influence.

CASR Part 145 must cover organisations that directly supervise to the corporate communication structure with multiple levels of (communication) management.

The simplest method of achieving this is to have a number of schedules to the part 145 MoS stating what each agreed level of organisation needs to comply with.

For instance, if FAR Part 43 is adopted into the CASRs and associated MoSs, then a basic Schedule for Part 145 would require no more than what an FBO has to meet in the USA to maintain non-transport category private and some commercial operations not associated with passenger operations.

The basic MoS Schedule would list what has to be complied with without having to have a procedures manual. Same as once happened under Air Navigation Orders (ANOs). Not quite as hands off as the FAR FBO system as the AMO would still get a certificate from CASA. It could also apply to non-type approved products as well. (Engine & propeller overhauls excluded).

A “limited” schedule would list what has to be complied with, without a procedures manual, for small dedicated AMOs associated with limited operators of warbirds, historical aircraft, etc.

A “special” schedule could address what has to be complied with for AMOs providing maintenance services for aerialwork operations. This could exclude certain parts of Part 145.

In other words, Part 145 cannot be a one-size fits all regulation, it must have flexibility to apply “direct supervision” to corporate “communications” management.

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