

AMROBA[®]inc

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

Postal Address:

PO Box CP 443
Condell Park
NSW 2200



Contact

Phone: 61 (0)2 9759 2715
Fax: 61 (0)2 9759 2025
Emails: amroba@amroba.org.au
inquiries@amroba.org.au
Website: www.amroba.org.au

Date
Published
27/03/2017

NEWSLETTER

Volume 14 Issue 3
March – 2017

1. *US Bilateral Aviation Safety Agreement Update.*

By the time this is published, the latest amendment to the USA BASA's Implementation Procedures (IP) will have been signed and Australian holders of CASA issued STCs will have obtained a process to obtain a FAA issued STC based on the process included in the latest amendment to the IP. This is a major boost for CASA approved organisations that have excellent entrepreneurial and innovation skills to design new products and product improvements.

There is now an agreed process where an Australian STC holder can request CASA to submit their CASA STC to the FAA for acceptance and issue of a FAA STC. Up till now, having a CASA issued STC did not open foreign aviation markets but obtaining a FAA STC changes the marketing capabilities for Australian STC holders.

[Read More](#)

2. *Lessons Learnt – We Need Regulatory Reform not Regulatory Development.*

In business, if you do not change with the times, then you will not be successful. In aviation, an argument can be made that the organisations that most needs to adapt to changing times are government department and agencies. Since they are complex and highly structured, it is difficult for them to respond to change in a timely manner.

The negative impact of failure to respond is not immediately felt within government departments/agencies and the urgency to act quickly is often absent or non-existent. Public sectors are more sheltered and isolated from private industry changing conditions so creates a need for them to find more innovative ways and means to anticipate and respond to change more quickly and more effectively.

The non-airline aviation sectors identified their preference to internationally align aviation engineering; design, manufacturing and maintenance with the FAR system as far back as the mid 1990s. The inability of a public service sector to demonstrate any innovation or response to the needs of the industry clearly shows that, in aviation, unique conservativeness and lack of response continues to prevent industry to expand and create jobs.

[Read more](#)

3. *Approved and Acceptable Data – Fundamental Differences*

Until the CARs/CASRs adopt the international difference between "approved" and "acceptable" data concepts, our MRO industry will continue to suffer added red tape imposed by unique regulatory requirements. Clarity on this concept are even published by Boeing: Our MROs should be able to use that data and other FAA documentation to determine what "acceptable data" can be used. Approved data is associated with design/manufacture data, including major modifications and repairs.

CAR 2A makes **some** globally "acceptable data" "approved maintenance data" without any review by CASA, or its predecessors. Acceptable data use should be determined by an industry individual iaw NAA guidelines.

[Read More](#)

The Australian – USA Bilateral Aviation Safety Agreement needs nurturing & expanding. It is the most significant international agreement that Australia's aviation engineering (design, manufacturing and maintenance) has.

It was hoped that CASA's "mindset" would change from "regulatory development" to government "regulatory reform" focused on reducing "regulatory impost" and "red tape".

CARs/CASRs are out of step with the FAA's, the certifying NAA for most GA aircraft, on-going continuing airworthiness requirements.

1. *US Bilateral Aviation Safety Agreement Update.*

Recognition: *Many thanks should be given to Mr Myles Tomkins, CEO of Airwork Helicopters, Caboolture, Qld who's STC was used as the trial STC during negotiations with the FAA. Some product certification processes not done by CASA had to be processed by the FAA to obtain FAA approval.*

By the time this is published, the latest amendment to the USA BASA's Implementation Procedures (IP) will have been signed and Australian holders of CASA issued STCs will have obtained a process to obtain a FAA issued STC based on the process included in the latest amendment to the IP. This is a major boost for CASA approved organisations that have excellent entrepreneurial and innovation skills to design new products and product improvements. There is now an agreed process where an Australian STC holder can request CASA to submit their CASA STC to the FAA for acceptance and issue of a FAA STC. Up till now, having a CASA issued STC did not open foreign aviation markets but obtaining a FAA STC changes the marketing capabilities for Australian STC holders.

This is probably the biggest change since the BAA was renegotiated as a BASA and CASR Part 21 was aligned with FAR Part 21. This change opens foreign markets to Australian designed and manufactured products.

Government should immediately take action to give "powers" to CASA to "harmonise" CASA's certification processes, e.g. noise certification, and CASA to update their processes to comply with the FAA process.

Nevertheless, during the process of implementing this "recognition" process, it was obvious that CASA had strayed from "harmonisation" with the FAR system. CASA, administratively adopted changes and resurrected original processes implemented during the adoption of FAR Part 21 as CASR Part 21.

AMROBA would hope that common sense prevails and CASA accepts the FAA processes completely and streamline their certification processes to remove any differences with the FAA so the FAA gains full confidence in CASA's ability to certify aircraft and products in the same manner as the FAA.

Many members holding other NAA organisation approvals encourage CASA to seriously look at harmonisation with the FAR system for engineering: design, manufacturing and maintenance, as the FAR performance based requirements are 'business' related and the most recently updated.

This amendment is a step in the right direction, now CASA has to resurrect talks with FAA regarding maintenance harmonisation. CASR Part 145 is in need of PIR as much as CASR Part 66 & 147. A new Part 43, based on FAR Part 43 is the answer.

The Byron concept to align with EASRs has been a failure – there is no sign of industry expansion or international recognition with a change that was not supported by the majority of the MRO industry.

The FAA took over a decade to finalise their FAR Part 145 and it is now the most modern Part 145 in the world that should be the model that CASA must use, if we are to survive, and grow, in the next 40 plus years.

The BASA/IP with the USA, has great potential for engineering (design, manufacturing & maintenance) if CASA dedicates to "harmonise "the CAR/CASR system" with the applicable FAR system that provides for the continuing airworthiness of FAR certified aircraft & products. The intent is Australia will apply the same standards to FAA products.

[Back to Top](#)

2. Lessons Learnt - We Need “Regulatory Reform” not continuing “Regulatory Development” (Reduce Regulatory Impost/Red Tape)

In business, if you do not change with the times, then you will not be successful. In aviation, an argument can be made that the organisations that most need to adapt to changing times are government department/agencies. Since they are complex and highly structured, it is difficult for them to respond to change in a timely manner.

The negative impact of failure to respond is not immediately felt within government departments/agencies and the urgency to act quickly is often absent or non-existent. Public sectors are more sheltered and isolated from private industry changing conditions so creates a need for them to be more innovative ways and means to anticipate and respond to change more quickly and more effectively.

Our non-airline aviation sectors identified their preference to internationally align aviation engineering (design, manufacturing and maintenance) with the FAR system as far back as the mid 1990s. The inability of a public service sector to demonstrate any innovation or response to the needs of these sectors clearly shows that, in aviation, unique conservativeness and lack of response continues to prevent industry to expand and create jobs.

The negative impact of failure to respond is often not felt immediately within these organisations. Therefore the urgency to act quickly is often absent or recognised too late. Since public sector groups are more sheltered and isolated from the changing environment, there is a pressing need for them to seek more innovative ways and means to anticipate and respond to change more quickly and more effectively. They need to enhance their capability to learn, unlearn and relearn so as to become more effective learning organisations.

There is also a misconception that the public sectors, because they are the people to action changes and time frames that are expected by the citizens that are affected by the lack of changes. In many cases businesses and jobs are affected by the inaction of the public services. Today's participation rate in the non-airline sectors is less than what existed when concepts were changed with the introduction of CAA and changes to GA, including aerialwork.

1988 Changes: No lessons have been learnt when government transitioned from Air Navigation Regulations/Air Navigation Orders to Civil Aviation Regulations/Civil Aviation Orders in 1990. This major change applied AOC/Organisational approval to individual approvals in aerialwork that started the decline of general aviation and introduced a pilot shortage in Australia. The loss of instructors reduced pilot training and subsequent AMO closures increased. Loss of jobs all round. ***Failed policy?????***

Individual Flight Instructors exist in the FAA system and train around 70% of all pilots in the USA. The introduction of the CAA also saw the downturn of many small AOCs as large AOC conditions were applied. The “Supplemental” airline system that was operating was also shelved. Less ports are serviced today. ***Failed policy?????***

CASA is great at creating regulatory monopolies without competition. The *Individual Flight Instructor*, without additional overheads, would compete with flight training organisations. As expected, there were many more training organisations in existence when the independent flight instructor existed. They simply attracted more pilots, more flying and more LAMEs/AMOs.

The same applies in maintenance. There is no need for an approved AMO in certain circumstances, such as, but not limited to:

- (1) Flight training organisations employing a LAME,
- (2) Aerialwork operator (AOC because of environmental reasons) employing LAME,
- (3) Private owner employing a LAME.

An AMO is required when it is a business providing maintenance services commercially.

[Back to Top](#)

3. *Approved and Acceptable Data – Fundamental Differences.*

Until the CARs/CASRs adopts the international “approved” and “acceptable” data concepts, the Australian aviation MRO industry will continue to suffer by unique regulatory requirements. However, for CASA to adopt this global standard, clarity must be provided for the MRO industry to determine when acceptable data can, and should be used. Approved data is associated with design/manufacture data, including major modifications and repairs.

CAR 2A makes some globally “**acceptable data**” “**approved maintenance data**” without any review by CASA, or its predecessors. Acceptable data use should be determined by an industry dividual iaw NAA guidelines.

***Annex 8. Approved:** Accepted by a Contracting State as suitable for a particular purpose.*

***Mandatory Continuing Airworthiness Information (MCAI).** The mandatory requirements for the modification, replacement of parts, or inspection of aircraft and amendment of operating limitations and procedures for the safe operation of the aircraft. Among such information is that issued by Contracting States in the form of airworthiness directives.*

To understand the approved/acceptable data concept that comes from the USA, the following link is to an excellent article by [Boeing Acceptable V Approved Data](#).

The following information is extracted from FAA guidance.

The FAA refers to any item addressed in the regulation (e.g., data; methods, techniques, and practices; manual contents; tools; materials; equipment; etc.) that must meet regulatory standards. If the regulation requires only that an item must be “**acceptable to**,” it does not necessarily follow that the FAA requires the item to have specific FAA review and acceptance before it may be used. A person (e.g. LAME) making a determination of whether an item is “**acceptable to**” the agency must ensure the item addresses specific applicable section(s) of the regulations.

- “Items required by regulation to be “**acceptable to**” the FAA or to the Administrator (unless otherwise required by regulation to be approved) do not necessarily require FAA review and acceptance prior to a person using the item. A person using an item that must be acceptable to the FAA should be able to demonstrate that the item meets all applicable regulatory requirements.
- *If, however, upon subsequent review of the item, the FAA believes the item is not acceptable, the agency has the burden of demonstrating its unacceptability in any related enforcement matter. In any event, if an ASI finds an item unacceptable to the FAA, the ASI must immediately inform the maintenance provider/certificate holder, in writing, of the potential noncompliance and request compliance. The following lists documentation that can be classified as approved data.” [See following page]*

The responsibility to determine if the data is “acceptable” is the AMO/LAME or, within a component AMO, the certifying maintenance engineer/technician.

The FAA FSMIS (internal AWI computer inspection standards/recording system) states:

- 1) The how-to instructions (methods, techniques, and practices) are informally referred to as “acceptable data.”
- 2) While minor repairs or alterations do not need to be supported by FAA-approved technical data, they are usually based upon such data, particularly when contained in the manufacturer’s ICAs or maintenance or alteration information.
- 3) The how-to instructions do not need to have any specific FAA acceptance or approval as long as the person using them has a reasonable expectation that the FAA will find it acceptable for the purpose for which it was created, when and if the FAA reviews it. In other words, all maintenance, preventive maintenance, rebuilding, and alterations must return an article to at least its original or properly altered condition with respect to the work performed. Therefore, the work must be done in an acceptable manner using methods, techniques, and practices acceptable to the FAA.

Data the FAA has listed with conditions that must be understood before use:

Type Certificate Data Sheet (TCDS). Refer to the current edition of <u>FAA Order 8620.2, Applicability and Enforcement of Manufacturer's Data</u> , for guidance.
Repair data from the current edition of AC 43.13-1, Acceptable Methods, Techniques, and Practices—Aircraft Inspection and Repair, as approved data for non-pressurized areas of civil aircraft, and the AC chapter, page, and paragraph listed in block 8 of FAA Form 337, Major Repair & Alteration (Airframe, Powerplant, Propeller, or Appliance), when the applicant has determined that it is: <ul style="list-style-type: none">• Appropriate to the product that is intended to be repaired;• Directly applicable to the repair being made; and• Not contrary to the airframe, engine, propeller, or appliance manufacturers' repair data or instructions.
Alteration data from the current edition of AC 43.13-2, Acceptable Methods, Techniques, and Practices—Aircraft Alterations, as approved data for major alterations for non-pressurized areas of civil aircraft when the <u>AC chapter, page, and paragraph</u> are listed in block 8 of <u>FAA Form 337</u> , when the user has determined that it is: <ul style="list-style-type: none">• Appropriate to the product intended to be altered;• Directly applicable to the alteration being made; and• Not contrary to the airframe, engine, propeller, product, or appliance manufacturers' data.
Airworthiness Directives (AD).
Appliance manufacturer's manuals or instructions, unless specifically not approved by the FAA may be used as approved data for major repairs.
Data describing an article used in an FAA-approved alteration under a parts manufacturer approval (PMA).
<u>Designated Engineering Representative (DER)</u> - approved data, including repair specifications, within limitations on the DER's authorization.
<u>Organization Designation Authorization (ODA)</u> - approved data, within limitations in the ODA holder's procedures manual.
FAA-approved portions of structural repair manuals (SRM).
FAA-approved service bulletins (SB) and service letters (SL) or similar documents as documented the current edition of AC 20-77, Use of Manufacturers' Maintenance Manuals. (Note: Not all SB/SL or similar documents are FAA approved. Refer <u>AC43-210</u>) Not all SBs, SLs etc. are approved by FAA.
<u>Foreign bulletins</u> , for use on U.S.-certificated foreign-designed aircraft, when approved by the <u>foreign authority within the provisions of a bilateral agreement with the United States or as listed in TCDS notes</u> .
<u>Original aircraft manufacturer's</u> service and repair data in accordance with current regulations, for major repairs on elements of non-pressurized airplanes, 12,500 pounds or less maximum certificated takeoff weight provided the person intending to perform such repair determines that: <ul style="list-style-type: none">• Data is appropriate and applicable for the specific make, model, & type of product being repaired; &• The repair does not deviate from the manufacturer's methods, techniques, and practices.
<u>Supplemental Type Certificate (STC)</u> data may substantiate a major alteration on a different aircraft, provided such alteration is applicable to specifically listed make, model, and type appropriate to the certification basis and applicable amendments.

The answer is to adopt FAR Part 43 so harmonised manufacturing and maintenance standards can be applied in the same manner as is applied in the USA.

The clarity of the FAA Orders, ACs and other guidance material is based on a safe, stable aviation industry that should be the “model” that CASA adopts for Australia.

Fundamentally, CASA still has not changed from a regulatory development organisation bent on creating more regulations and red tape. Both LNP & ALP have/had policies that should result in “regulatory reform”.

“Regulatory Reform” should have an outcome that reduces regulatory requirements and red tape. We continue to hope CASA implements reform.

[Back to Top](#)