



Aviation Engineering – Trade – Business - Bureaucracy

This is one industry that needs free trade agreements but ends up with trade restrictions. The very nature of aviation engineering design, maintenance & manufacturing disciplines imparts adoption of global standards promulgated by ICAO as the basis of any free trade agreement.

Government after government has spoken of increased participation in global aviation markets if we reform the aviation requirements. However, only a few benefits have arisen because of the ongoing time it has taken “bureaucracy” to harmonise with global standards and adopt the engineering requirement most suitable for the mainly US manufactured aircraft registered in Australia.

In addition, not only do we need up-to-date regulatory requirements that enables businesses to compete globally, we need government bureaucracy dedicated to obtaining free trade agreements with aviation engineering trading countries. E.g. Asia/Indo/Pacific region, North & South America, etc.

Government bureaucracy must obtain international agreements so the products of our aviation engineering businesses are unconditionally accepted by the foreign countries.

For decades, Australian companies providing a service for another country’s aircraft have obtained, at their own costs, approvals from the aviation regulators of these foreign countries. The on-going costs to maintain those approvals is not sustainable unless long term contracts can be obtained.

Take for instance a couple of conditions from the FAA/CAAS Maintenance Agreement:

*“The FAA and the CAAS **have identified the differences** between SAR-145 and 14 CFR part 145. These differences are listed as Special Conditions in the MIP as agreed to by the FAA and the CAAS. As a result, an FAA certificated 14 CFR part 145 repair station located in the United States, when in compliance with the CAAS Special Conditions, may apply for a CAAS SAR-145 Maintenance Organisation Approval. SAR-145 AMOs located in Singapore, when in compliance with the FAA Special Conditions, may apply for a 14 CFR part 145 repair station certificate.”*

*“The FAA and the CAAS will request each maintenance organization to review the MAG and **prepare a manual supplement** to be submitted 90 days prior to the turnover date. The FAA Coordinator (IFO) and CAAS MIP Coordinator must keep a record of the status of the manual supplements. Quarterly reports should be forwarded to respective coordinators.”*

*“**Overhaul.** A process that ensures the aeronautical article/item is in complete conformity with all applicable service tolerances specified in the type certificate (TC) holder’s or the equipment manufacturer’s instructions for continued airworthiness (ICA), or in the data that is approved or accepted by the FAA or CAAS.”*

The “recognition of differences” in regulatory requirements in a ‘trade’ agreement between CASA and the foreign NAA would streamline the process for Australian aviation engineering design, maintenance and manufacturing businesses to obtain regulatory approval from the foreign NAA.

Businesses cannot do the bureaucracy’s negotiations to obtain agreements though they are fully aware of the problems with differences in regulatory standards when they apply for a foreign NAAs approval.

CASA actually becomes an important cog in the trade agreement because they become an “**exporting authority**”. Before a business may export their CASA approved design, TC, ASTC, APMA or ATSO articles, CASA has to obtain acceptance of their regulatory standards and approvals, whether they be a design, maintenance or manufacturing approval.

In the engineering design, maintenance and manufacturing sectors, CASA has to “export” its design, maintenance and/or manufacturing approvals to the importing authority. This requires “harmonisation” to minimise the differences and a highly skilled government negotiating team dedicated to promoting our aviation businesses. The USA Bilateral Aviation Safety Agreement is an example where its full potential has not been achieved due to exporting processes have not reduced costs.

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Global Trade – Exporting/Importing “Authority”

The role of the “**exporting authority**” is very important for Australian aviation businesses participating in any foreign aviation market. In the past, Australian businesses, at great costs to themselves, have negotiated trade deals in foreign countries that, in the majority of cases, resulted in the Australian business applying for and obtaining an approval under the foreign aviation regulatory system. A few businesses have taken a step further and opened locations in foreign countries. This is exporting our businesses instead of CASA, as the exporting/importing authority, negotiating agreements where differences are listed and, like Singapore’s CAAS and the FAA, listing addendums that either countries approved organisations had to meet to obtain approval in the other foreign country’s aviation regulatory system.

CASA, the exporting authority, needs to be more proactive throughout the Asia/Indo/Pacific region in particular to obtain acceptance of CASA engineering design, maintenance and manufacturing approvals to open up foreign markets to CASA approved designers, maintenance and manufacturing organisations.

Under the BASA with the USA, and most other Agreements with foreign countries/regulators, CASA is identified as the exporting authority.

“Exporting civil airworthiness authority” or “exporting authority” means the implementing authority within the exporting State, charged by the laws of the exporting State, to regulate the airworthiness and environmental certification, approval, or acceptance of civil aeronautical products, parts and appliances.”

The role of the exporting authority, CASA, is to have their approvals accepted by the importing authority without further conditions or red tape. We realise that the past lack of adoption of global standards or the continual amendment of current requirements to remain harmonised with the source documents places restrictions on the current ability of businesses to trade globally.

Aircraft and parts manufacturers have all opted for FAA approval and issue of FAA approvals, based on holding a CASA approval for the product.

CASA’s certification shortfalls when compared to the FAA certification standards is another area that government must address to remove shortfalls that continue to affect global recognition.

These restricted aviation “free trade agreements” places considerable on-going responsibility on the exporting authority and also as the importing authority.

“Importing civil airworthiness authority” or “importing authority” means the implementing authority within the importing State, charged by the laws of the exporting State, to regulate the airworthiness and environmental certification, approval, or acceptance of civil aeronautical products, parts and appliances.”

The viability of trading in the global aviation engineering design, maintenance and manufacturing business sectors is totally reliant on the reduction of regulatory and red tape differences between foreign markets and Australia.

Though CASA’s role is super critical in obtaining trade agreements between Australia and foreign countries, the Civil Aviation Act does not specifically identify this function, or the importance to businesses in Australia looking to export their products and services to foreign countries. The Act does not place any responsibility on CASA as an “exporting authority”.

- “(3) CASA also has the following functions:
(e) **promoting** the development of Australia’s civil aviation safety capabilities, skills and services, for the benefit of the Australian community **and for export**;

FAA – Civil Aviation Abroad

We promote aviation safety and encourage civil aviation abroad. We exchange aeronautical information with foreign authorities; certify foreign repair shops, airmen, and mechanics; provide technical aid and training; negotiate bilateral airworthiness agreements with other countries; and take part in international conferences.”

Recommendation: Amend the Civil Aviation Act to include a function that encompasses the role of CASA as an exporting airworthiness authority and importing airworthiness authority as espoused in international aviation agreements that CASA, Department of Infrastructure and the Department of Foreign Affairs negotiate with foreign countries so aviation businesses can trade globally.