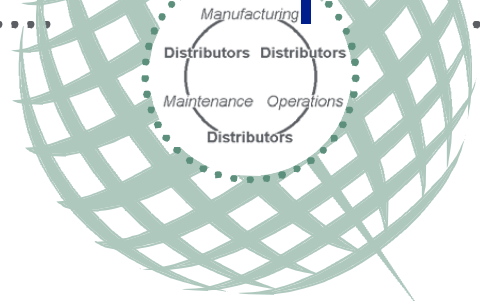


The UPDATE Report



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Regulatory Update

Back - to - Birth Traceability: Is It Required?

We frequently get phone calls and emails about back-to-birth traceability. ASA members want to know when the FAA requires it, and what you can do if you do not have this level of traceability.

Background

Back-to-birth traceability connotes a set of documentation that will show either every owner of a part, or every installation of a part, since the time it was first manufactured. This sort of traceability arises from standard practices concerning life-limited parts. An operator is required to keep records of the current life status of each life-limited parts. One way to verify that these current life status records are accurate is to have supporting back-to-birth traceability that demonstrates the steps that went into the equation that yields the current life status.

Although originally intended to support the current life records, back-to-birth traceability has taken on a life of its own. Today, it is not uncommon to see purchasers demanding back-to-birth traceability for parts that are not life-limited. This is a commercial demand that causes some problems in the industry for a number of reasons.

First, the production approval holders (manufacturers) do not issue standardized documentation at the time of origin. Six years ago, the FAA's Aviation Rulemaking Advisory Committee recommended to the FAA that this be changed so that all production approval holders would be authorized, and also

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UPDATE REPORT

is a monthly newsletter of the Aviation Suppliers Association. Questions and/or comments should be addressed to:

Jason Dickstein
 Aviation Suppliers Association
 734 15th Street, NW, Suite 620
 Washington, DC 20005
 voice: (202) 347-6899
 fax: (202) 347-6894
 email: jason@aviationsuppliers.org

THE UPDATE REPORT

provides timely information to help Association members and readers keep abreast of the changes within the aviation supply industry.

THE UPDATE REPORT

is just one of the many benefits that the Aviation Suppliers Association offers members. For information on ASA-100, the ASA Accreditation Program, Conferences, Workshops, FAA guidance like Advisory Circulars, Industry Memos, or services and benefits, contact the Association.

THE UPDATE REPORT STAFF

Publisher Michele Dickstein
Editor Jason Dickstein
Advertising and Production Editor Jeanne Meade

OFFICERS:

Karen Odegard
 253-395-9535
Corporate Treasurer

Jason Dickstein
 202-347-6899
Corporate Secretary

Michele Dickstein
 202-347-6899
President

The ASA Annual Conference is quickly approaching. If you are still undecided about attending, here's a quick summary of the program. The ASA Annual Conference offers a myriad of educational presentations that fit many segments of your business. Whether you're curious about how air carriers are positioning themselves, confused about some of the regulatory and legal issues affecting our industry, or simply need additional training; the ASA Annual Conference offers all of that and so much more. Find out about additional business opportunities in China and Latin America; Keep your business running smoothly by attending our Business Executive Roundtable Sessions or one of the aviation industry business services workshops that help your bottom line.

Additional program details may be found on page 43. For a complete conference program call us or visit our website for a .PDF copy. As a reminder, the hotel room block deadline is Friday, June 3, 2005. Make your hotel reservations today and forward us your conference registration. Don't miss this opportunity to better position yourself and your company while networking with your business partners. We look forward to seeing you in Boca Raton!

And for those of you that also need Hazmat Training, ASA's next Hazmat Training class is June 29-30, 2005 in Miami, FL. This training meets the regulatory requirements. You can find out more about this on page 49 of this issue.

Best Regards,

Michele Dickstein

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Beyond the Forecasts - Strategies for the Global Marketplace

MONDAY MORNING GENERAL SESSION

Keynote Presentation by a Northwest Airlines Executive
(Invited)

Parts Wars: Revenge of the Myth – Jason Dickstein, ASA

Emerging Technology – Roy Resto, Tracer Corporation, Messier-Bugatti-Tracer

Managing the Aviation Business in a Distressed Environment – John Kokoska & Eric P. Murray, Morris Anderson & Associates Ltd.

Law, Safety and Politics Associated with Contract Maintenance – Marshall S. Filler, Aeronautical Repair Station Association

MONDAY AFTERNOON WORKSHOPS (SELECT 2)

Parts Wars: Making it a GLOBAL Marketplace – Jason Dickstein, Jedi Lawyer

Parts Wars: Taking the Fifth – Harry Schaefer, US DOT OIG

Supplier Performance – George Ringger, P.E. Aviation Consultants

Want to do Business in China? – William Lawton, US DOC

Business Executive Roundtable: Keeping Good Employees Happy in a Tough Environment – Karen Odegard, Pacific Aero Tech, Inc; Mitchell Weinberg, International Aircraft Associates, Inc.

ILSmart.com – Jim Sdoia, ILS

TUESDAY MORNING WORKSHOPS (SELECT 2)

Parts Wars: A New Hope – Al Michaels, FAA *(Invited)*

Are Your Employees Appropriately Trained? – George Ringger, P.E. Aviation Consultants

LEAN Cuisine For Your Business – A.K. Trikha, LeanQA

Accreditation: Your Reputation Strikes Back – Michele Dickstein & Greg Tinti, ASA

E-Content in Aviation Distribution: Developing Smart Strategies for ERP Systems in the Marketplace – Frank Scales, Component Control

Business Executive Roundtable: Global Marketplace Expansion – Karen Odegard, Pacific Aero Tech, Inc; Mitchell Weinberg, International Aircraft Associates, Inc.

Aerexchange – Al Koszarek & Barb Gatti, Aerexchange Ltd

TUESDAY AFTERNOON GENERAL SESSION

Market Outlook – The Boeing International Marketing Team

The Promising Market of Latin America – Richard Levin, A.J. Levin Co.; Armando Berti, Tam Airlines; Lius Giacomani, TACA-Aeromantenimiento

Sunday Golf Tournament!

Sunday & Monday Dinner Functions!

Registration Fee Includes Meals and Breaks
Certificate of Completion Provided to Attendees

This is a partial agenda.

For the full agenda, see ASA's web site:

www.aviationsuppliers.org

or call and ask the Association to

e-mail/fax the full conference agenda.

Who Should Attend?

Executive, Legal, Purchasing, QA, QC,
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from

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Parts Distributors and Suppliers,
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Ameron Global, Inc.
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Unical Aviation, Inc.
Volvo Aero Services, LP
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conference Registration Form

Please either attach a business card, type or print clearly (please complete all sections)

Name _____ Badge First Name _____
 Company _____
 Address _____
 City/State/Postal Country _____
 Phone _____ Fax _____
 E-mail _____

Are you an ASA Member? Yes No *Interested in becoming a member?*
 Fill out the membership application and include the membership fee with your conference tuition.

Conference Schedule

SATURDAY | June 25, 2005

8:30 am - 4:00 pm OA Committee Meeting, Boca Raton Resort & Club
 2:00 pm - 5:00 pm Registration, Boca Raton Resort

SUNDAY | June 26, 2005

7:00 am - 2:00 pm Golf Tournament
 7:00 pm - 8:00 pm Registration, Boca Raton Resort
 6:00 pm - 8:30 pm Welcome Dinner and Golf Awards

MONDAY | June 27, 2005

6:30 am - 8:00 am Registration, Exhibits, Continental Breakfast
 8:00 am - 5:00 pm General Session, Workshops, Breaks, Lunch, Exhibits
 6:00 pm - 7:30 pm Reception, Exhibits
 7:30 pm - 9:00 pm Banquet Dinner, Presentation of the Edward J. Glueckler Award

TUESDAY | June 28, 2005

7:00 am - 8:30 am Members-Only Breakfast Meeting
 8:30 am - 3:15 pm Workshops, General Session, Breaks, Lunch, Exhibits

Workshop Schedule

MONDAY | June 27, 2005

PM Sessions Only (90 minutes)
 1:30 pm - 3:00 pm and 3:30 pm - 5:00 pm

- Select two from the afternoon session:
- (A) Parts Wars: Making it a GLOBAL Marketplace
 - (B) Parts Wars: Taking the Fifth
 - (C) Supplier Performance
 - (D) Want to Do Business in China?
 - (E) Business Executive Roundtable
 - (F) B-Small.com

TUESDAY | June 28, 2005

AM Session Only (90 minutes)
 8:30 am - 10:00 am and 10:30 am - 12:00 pm

- Select two from the morning session:
- (G) Parts Wars: A New Hope
 - (H) Are your employees appropriately trained?
 - (I) I-AN Custom for you Business
 - (J) Accreditation: Your Reputation Strikes Back
 - (K) Content in Aviation Distribution
 - (L) Business Executive Roundtable
 - (M) Aestechange

CONFERENCE FEES:	Save \$50 if registered By April 29, 2005 (Circle each applicable fee)	April 29 - June 20 Pre-conference Fee	AFTER June 20, 2005
Member	\$595	\$645	\$695
Member Add'l Attendee	\$525	\$575	\$625
Non-Member	\$695	\$745	\$795
Non-Member Add'l Attendee	\$625	\$675	\$725
Spouse/Companion	\$150	\$150	\$150
Golf Tournament	\$125	\$125	\$125

To receive early-bird rate, check or credit card information must be received at ASA by 4PM est. April 29, 2005. To receive pre-conference registration rate, check or credit card information must be received at ASA by 4 PM est. June 20, 2005. Special Rates available for air courier and government personnel. Please contact ASA for details.

Exhibitors Limited Space: The exhibitor fee includes a skinned table, chairs and registration for up to two people to attend the conference meeting and social events.

Exhibitor's fee:
 Member \$1150 Non-Member \$1225

Spouse/Companion? Guest Name: _____

(Spouse/Companion fee includes Sunday and Monday evenings' social events.)

HOTEL INFORMATION: The Boca Raton Resort & Club, 501 East Camino Real, Boca Raton, FL 33431. Special Room Rate of \$149 + tax per night. Room rate is exclusive from additional fees as follows: \$14 per night resort fee (resort fee includes: fitness center, two bottles Mineral Water daily, complimentary local calls, complimentary credit card and 800 call access, high speed internet access, resort wide transportation, turn down service daily and daily newspapers) and a one time \$10 (baggage/housekeeping fee. For Room Reservations call: (800) 327-0101 or direct to or contact the hotel directly at (561) 447-3000. Room Block under ASA. Reservations should be made directly with the hotel.

ROOM RESERVATION POLICY: ASA must receive your conference registration by June 4, 2005 in order to preserve your room reservation. After this date, any room reserved under the ASA room block without a conference registration will be released to ASA for allocation.

PAYMENT METHOD:

If paying by check, please mail completed form along with payment made out to: Aviation Suppliers Association /34 13th St., NW, Suite 670, Washington, DC 20005
 Tel: (202) 347-6899 Fax: (202) 347-6894
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You may also pay by credit card by completing the information below:

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Name as appears on card (please print) _____

Amount to be Charged: \$ _____

Cardholder Signature _____

This form may be faxed for pre-registration credit card payment to: (703) 347-6894. Credit Card payment cannot be processed unless credit card and signature information is provided.

Conference & Golf registration confirmations will be forwarded via e-mail.

Cancellation Policy:

All conference cancellations must be received in writing. Cancellations before May 27, 2005 will be charged a \$75.00 service fee. There will be no refund for cancellations received on or after May 27, 2005.

There will be no refund for golf tournament cancellations by registrants. If the golf tournament is cancelled by the golf course due to inclement weather, a per centage of the golf fee will be refunded.

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required to issue airworthiness approval documentation with new parts - the proposal has slowly been working its way through the FAA and it is now expected to be published as a Notice of Proposed Rulemaking early next year.

Because birth documentation is not standardized, the sort of documentation that is issued varies. Just as there is no standardization as to what documentation (if any) must accompany an aircraft part, there is similarly no standardization for what documentation must be retained. In the past it has been commonplace for large air carriers to eliminate the paperwork that accompanies a part after it has passed the receiving inspection. The reason they can do this with impunity is because parts that successfully pass through an air carrier's receiving inspection system can safely be deemed to meet the air carrier's airworthiness requirements - documentation supporting this fact may be superfluous.

This leads to another recognizable flaw in the paradigm of back-to-birth traceability - particularly for non-life-limited parts - because such traceability cannot be maintained when there are parties who (quite legally) fail to pass traceability documentation to the next step in the chain of commerce. From a regulatory standpoint, there is no problem with an air carrier who destroys the traceability paperwork (to limit the amount of warehouse space devoted to nothing but paperwork) and issues its own airworthiness documentation when it surplusses the part. This is even anticipated in the FAA's Order 8130.21, which explains how to complete the 8130-3 tag, and includes provisions that permit an air carrier or repair station with an appropriate quality system to issue 8130-3 tags (signed on the right side to reflect an inspection to new condition) for new parts.

Reliance on the 8130-3 tag as a 'universal' document and increased emphasis on passing documentation through the chain of commerce (a notion promoted strongly through the documentation requirements of FAA Advisory Circular 00-56 (accreditation) and the ASA-100 quality standard) are both having a positive effect on the industry's ability to effectuate back-to-birth traceability, but the industry's ability to support such traceability should not be confused with a mandate to have it.

Back-to-Birth is not Required

The most important - and common - flaw in the notion that back-to-birth traceability is required is the fallacy that this sort of traceability is required by the FAA's regulations. This issue was addressed by the FAA Office of the Chief Counsel in 1992. The FAA Chief Counsel published an interpretation that examined the notion of traceability for life-limited parts as a means of demonstrating that the total time records maintained by an operator are correct. The interpretation stated:

“[T]he operator needs to maintain a recordkeeping system that will substantiate the time that has accrued on the life-limited part. A complete audit trail to the origin is not needed for all life-limited parts.” [emphasis added]

The Chief Counsel goes on to say:

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“An audit trail tracing a life-limited part back to its origin would be required only in those situations where the operator’s records are so incomplete that an accurate determination of the time elapsed on the life-limited part could not be made. We would expect a request for such records to be the exception rather than the norm.”

Clearly, if back-to-birth traceability is not required for life-limited parts, then there is no justification for requiring it for non-life-limited parts.

Back-to-Birth and DARs

Back-to-birth traceability questions have arisen frequently in the context of DARs who issue 8130-3 tags to document the current airworthiness status of an aircraft part. There are some people who erroneously feel that a DAR cannot issue airworthiness documentation without that sort of traceability.

A mistake in the language of FAA Order 8130.21 (the instructions for completing the 8130-3 tag) helped to create confusion in the industry. When 8130.21 was amended to include instructions for DARs who issue 8130-3 tags for domestic parts (8130.21C, change 2), the instructions directed DARs to check for positive traceability to a PAH via acceptable documentation and part markings. By calling for both of these in the example list, the guidance implied that both were required as prerequisites to issuing an 8130-3 tag. This mistake was corrected in the the next revision (8130.21D), where the “and” was changed to an “or” in order to make it plain that either documentation or parts markings would constitute an acceptable means by which to find that a part had been produced by a production approval holder.

Back to birth traceability for all aircraft parts is NOT required by the current FAA’s current regulations or guidance.



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LEAN CUISINE FOR ORGANIZATIONS by Ashuman Kumar (A.K.) Trikha

Introducing Lean Culture

Mr. Trinkha is presenting an in depth LEAN workshop at the ASA Annual Conference. As of January 28, 2005 Airbus had received orders to supply 154 Airbus A380 passenger planes, each at a price tag of approximately \$265 million. Boeing business jets orders on the other hand rapidly approaches 100. Average traveler may not pay attention to this press release. Lean thinkers, however, would make some speculations based on concepts of Lean thinking. One such reference is found in Jim Womack and Daniel Jones's book "Lean Thinking" where the authors in their chapter on "Dreaming about Perfection" place the traveler in the foreground and then envision a supply chain that services the requirement of the traveler. The process would start from your very own travel agent and the effects would be felt throughout the supply chain which includes the airports, original equipment manufacturers (OEM), flight equipment and the aviation suppliers. Market will decide whether huge 800 passenger planes with their logistical challenges in boarding and deplaning passengers will be popular or the smaller planes that can quickly load passengers and get them off to their destinations.

So why must Aviation Suppliers subscribe to Lean? The answer is very obvious. Whether it's Airbus A380 or the Boeing planes, the demand for aircraft and airframe parts is real and imminent. It's economical for large corporations to offer package deals and just-in-time bin management to OEM's. However, the organizations that grab market share would be the ones that are customer focused and whose quality management systems are lean, efficient and profitable or as they say in the Lean community: provide service or product better, faster and cheaper. With the material presented in this article you will learn the five Lean principles and gain better understanding on how the different types of waste within your organization affect price and delivery of product to the customer; and at the end of the day affect your pocketbook.

Let's begin by defining the meaning of Lean. Lean in an industrial context means reducing excess fat from business operations by producing what's needed, when it's needed with the least amount of time labor and resources. Lean is "Applied commonsense".

The following five "Lean Principles" form the framework of a lean organization:

1. Specify value in the eyes of the customer
2. Identify the value stream and eliminate waste
3. Make value flow at the pull of the customer
4. Involve and empower employees
5. Continuously improve in pursuit of perfection

Worth mentioning here is the Toyota Production System (TPS) which very clearly exemplifies how organizations can turnaround their operations by following the above listed Lean Principles. The key to Toyota's success is in following the Five Lean Principles, elimination of waste, and utilization of Lean Tools. Performance wise it's evident that the Toyota Motor Company has experienced steady, yet exponential growth and has continued to show huge profit margins beating all competition in "passionate pursuit of perfection"

To achieve the "lean look" all five Lean principles should be deployed in organizations with an equal emphasis. However, implementing some lean principles before the others will give you instant return on investment. Take for example the 2nd Lean Principle: "Identify the value stream and eliminate waste". Everyday whether it's home or at workplace, we see wasteful ways of doing things and we see easy, standardized, and Lean ways of getting things done. What we

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choose determines our ability to succeed. Lean community has identified the seven types of waste found in various organizations: Defective product, Overproduction, Transportation, Waiting, Inventory (Excessive), Motion (Excessive), and Processing (Excessive).

In most of the Aviation business, competition is fierce. Gone are those golden days of huge profits which would compensate for organizational flaws. Basic economics dictates that in order to run profitably, businesses should have flawless processes. What's the most commonsense way of making your processes robust? Banish waste from your processes. Lean-Six Sigma proponents have demonstrated that approximately 60%-70% profit is achieved in terms of cost of avoidance (of errors) by improving and error-proofing existing processes.

Let's examine a few examples of waste that contribute to rework and added cost to our products and services.

- **Defective Products:** Most of us are familiar with simple errors such as wrong parts shipped. Wrong parts received by the customer results in customer complaints, rework costs, warranty replacement costs, accounting nightmares and if the problem is not fixed- cost of scrapping the product. This kind of a defect has the potential to become a big loser for the organization. You need a sound quality management system that tracks and addresses these types of errors.
- **Overproduction:** Your customer needs 10,000 pieces of a rivet and because of absence of weigh-scales or built in scale errors or your warehouse counting constraints, you need to send 100 additional pieces so your shipment is not rejected for being short. This kind of low yield from an incapable process leads to costly overproduction and built-in obsolescence.
- **Transportation:** Legacy companies are prime candidates for an inefficient work layout. Valuable time and resources are lost to cover inefficient work flow.
- **Waiting:** Does your customer have to wait for you to respond to their Quotes? How's your internal processing of service? Ordinarily customers are not interested in how many times a paper changes hands before the Manufacturer Certificate of Conformance or the Test Reports that they are looking for is produced. All they are interested in is that if they requested the Certs, their receiving inspector will be looking for it when the shipment is received. The cert better be there or there are direct financial setbacks for both parties involved.
- **Excess Inventory:** Aerospace product distributors provide that much needed buffer inventory to OEMS. Due to long lead times, distributors have to order and build up excess inventories. Sometimes, to get price breaks it's not uncommon to buy more than economic order quantity (EOQ). Consequently, you are strapped for cash for other items that move.
- **Excessive Motion:** Something as simple as paper not next to the copier or disorganized work areas could lead to excessive motion. If you spend 30% of time looking for the order to put a change through, you've got wasted resources on hand. These are barriers to adding value as well as they could be costly in terms of ergonomics, and safety.
- **Excessive Processing:** Sometimes we add steps to a process such as functional signatures, hand finish and choose ineffective use of skills. Doing it right the first time, with minimal time labor and resources is the lean way to go.

Lean culture is a product of necessity. Although Lean defies old cost accounting theories, along with being "Applied Commonsense" Lean also makes sound economic sense. As we've all witnessed, 80's onwards, businesses in the advanced nations have experienced accelerated growth like never before. Financially and operationally stellar performances of these World Quality Organizations have proven that Lean is the Mantra for running successful and profitable business organizations in the new millennium.



Who should attend HMT?

This course is intended for all individuals who may come into contact with, or make decisions that affect hazardous material(s).

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2005 HAZMAT TRAINING



Aviation Suppliers Association

THE INTELLIGENCE RESOURCE SERVING THE AVIATION PARTS SUPPLIER COMMUNITY

DATES AND LOCATIONS

June 29-30	Miami, FL	Sheraton Miami Mart
Sept. 15-16	Dallas, TX	Hilton Garden Inn
Oct. 11-12	Reno, NV	Reno-Hilton

Hazmat Training is being provided in cooperation with the Washington Aviation Group.
For details on dates, location, fees and registration details please visit:
www.washingtonaviation.com

The US Department of Transportation (US DOT) requires that all individuals engaged in handling hazardous materials must be trained at least once every three (3) years. Air Carriers are required to be trained annually and IATA requires training every two (2) years. The FAA has suggested that many aviation companies are HazMat employers by virtue of the wide variety of materials received which could include HazMat. This course will focus on shipments of Dangerous Goods under the IATA Dangerous Goods Regulations (a field manual that includes the ICAO technical instructions.) This course will also address matters arising out of United States' regulations that are not covered by IATA.

Export Issues Continue to Remain a Focus

Are you in compliance with export restrictions? If the answer is “I don’t know” then you need to confirm your compliance with export controls before you make your next overseas sale!

The penalties for export violations can be severe. Past export violation convictions have led to multi-million dollar penalties. Turning a blind eye to an export “red flag” (willful indifference) is not the answer, as one may be penalized for engaging in a transaction where such a red flag remained undispositioned.

Export controls are administered by several agencies, including the Commerce Department’s Bureau of Industry and Security (BIS), the State Department’s Office of Defense Trade Controls (ODTC) and the Treasury Department’s Office of Foreign Asset Control (OFAC).

BIS recently published a major case listing. This listing details the most significant current and recent efforts of BIS’ Office of Export Enforcement (OEE), which is the BIS office responsible for enforcing the BIS export regulations. The text of each of these descriptions is taken directly from BIS’ own major case list. Following them are comments on the lessons that aircraft parts distributors can learn from each set of cases.

Tensile Strength Measuring Equipment to Iran – On March 1, 2005, Juan Sevilla, sales director of United Calibration Corporation of Huntington Beach, California was indicted in Chicago for attempting to illegally export machinery and related software to measure the tensile strength of steel to Iran in violation of the U.S. embargo. Prosecution is pending.

Experimental Aircraft and Electrical Components to Iran – On February 17, 2005, Ali Asghar Manzarpour of Brighton, United Kingdom, was arrested in Warsaw, Poland by Polish authorities at the request of the United States, in connection with alleged illegal exports to Iran in violation of the U.S. embargo. On February 25, 2005, a federal indictment was unsealed charging Manzarpour with the attempted export of an experimental, single-engine aircraft and exports of electrical components to Iran. Manzarpour was previously convicted and imprisoned in the United Kingdom for attempting to export U.S.-origin maraging steel to Iran. At the time British authorities noted that this steel, which is used to build centrifuges for uranium enrichment, appeared to be destined for Iran’s nuclear weapons program. Prosecution is pending in the current case.

Forklift Parts to Iran – On August 11, 2004, Khalid Mahmood, d/b/a Sharp Line Trading, of Dubai, U.A.E., and Mohammad Ali Sherbaf, a principal officer of Sepahan Lifter Company, of Iran, were indicted for alleged export violations in their proposed purchase of forklift radiators from a U.S. supplier in violation of the U.S. embargo. The transaction was allegedly structured through Sharp Line to conceal the ultimate destination of the goods.

EDITORIAL COMMENT: All exports to Iran are forbidden unless specially licensed by each agency with regulatory authority forbidding the transaction. Violators may be arrested outside the United States and then returned to the United States for trial. In the third of these cases, the transaction was routed through Dubai, UAE to mask the ultimate destination. An American supplier of goods who knowingly participated in a transaction destined for a forbidden country could be punished, too, even if the transaction is routed through a third-party country.

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National Security Controlled Electronic Equipment to China – On September 30, 2004, Ning Wen, Hailin Lin, Jian Guo Qu and Ruo Ling Wang were arrested on charges of conspiring to illegally export more than \$500,000 worth of controlled electronic components to China. Prosecution is pending. BIS has issued Temporary Denial Orders against Ning Wen, Hailin Lin, Wen Enterprises and Beijing Rich Linscience Electronics to prevent further violations as this case proceeds. OEE, the FBI, the IRS and ICE jointly conducted this investigation.

National Security Controlled Items to China – On July 29, 2004, seven individuals were indicted on charges that they used their companies, Universal Technologies, Inc. and Manten Electronics, Inc., to illegally export millions of dollars worth of sensitive national security controlled items to state-sponsored institutes in China. The exported items potentially could be used in a variety of defense weapons systems including radar, electronic warfare and communications systems. Prosecution is pending.

High Performance Computers to China – In December 2003, BIS assessed Sun Microsystems, Inc. a \$269,000 administrative penalty and imposed a one year suspended denial of its export privileges as part of an agreement with Sun to settle charges related to exporting computers to military end-users in China and Egypt without the required BIS licenses, among other violations. BIS also settled cases with two of Sun’s subsidiaries, for aiding and abetting the unlicensed export to the military end-user in China.

EDITORIAL COMMENT: Many electronic components are subject to BIS export controls – be sure that you identify the export control number before exporting your parts. Parts with military uses may be subject to ODTC’s regulations for defense-related materials. Parts with both military and civilian uses will generally be subject to ODTC’s regulations for defense-related materials if their primary intended use is military – determining the primary intended use can be tricky and it can help to seek either legal or governmental guidance on such a call where the answer is not clear.

These are excerpts only – a more complete list of BIS enforcement actions is available at:

<http://www.bis.doc.gov/ComplianceAndEnforcement/MajorCases050505.pdf>

 <p>Topics have included:</p> <ul style="list-style-type: none"> • Supporting the Customers Regulatory Obligations • Documentation • Traceability • Approved/Unapproved Parts • Export Issues 	<h2 style="color: blue;">2005 ASA REGULATORY WORKSHOPS</h2>																						
	<p>Aviation Suppliers Association</p> <p><u>DATES AND LOCATIONS</u></p> <table border="0"> <tr> <td>Sept. 7</td> <td>Atlanta, GA</td> <td>TBA</td> </tr> <tr> <td>Sept. 22</td> <td>Newark, NJ</td> <td>TBA</td> </tr> <tr> <td>Oct. TBA</td> <td>London, UK</td> <td>TBA</td> </tr> <tr> <td>Nov. 8</td> <td>Los Angeles, CA</td> <td>TBA</td> </tr> <tr> <td>Nov. 10</td> <td>Seattle, WA</td> <td>TBA</td> </tr> <tr> <td>Nov. 15</td> <td>Dallas/Ft. Worth, TX</td> <td>TBA</td> </tr> <tr> <td>Nov. 17</td> <td>Chicago, IL</td> <td>TBA</td> </tr> </table> <p style="text-align: center; font-size: small;">Keep checking our website at: www.aviationsuppliers.org for updates on dates, locations, fees and registration details.</p>			Sept. 7	Atlanta, GA	TBA	Sept. 22	Newark, NJ	TBA	Oct. TBA	London, UK	TBA	Nov. 8	Los Angeles, CA	TBA	Nov. 10	Seattle, WA	TBA	Nov. 15	Dallas/Ft. Worth, TX	TBA	Nov. 17	Chicago, IL
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ASA Quality Assurance Committee to Meet in June

Are you getting the most value out of your ASA Membership? If you haven't attended an ASA Quality Assurance Committee meeting, then you are be missing out!

The ASA Quality Assurance Committee meets one or two times per year (depending on workload volume) in order to discuss technical and quality matters that are import to ASA and its members. One of its primary roles is to maintain the ASA-100 standard, but it also provides technical advice to the ASA in support of projects ranging from membership services to government affairs.

The Committee adds value to the Association by providing insights into the ever changing world of distribution. The members of the Committee also benefit from the interaction. They have an opportunity to exchange ideas about ways to improve their quality assurance programs, and each meeting generally features educational presentations designed to support their ongoing work.

The agenda for this June's ASA Quality Assurance Committee meeting has not been finalized, but ASA expects the Committee to re-examine recent letters of interpretation, and to consider whether to issue new policy, or possibly revise the ASA-100 standard in the following areas:

- Standardizing Training Documentation
- Latest revision to SPEC 300
- Clarifying Section 8(J) of the ASA-100 standard (material misrepresentation reports)
- Clarifying Section 12(D) of the ASA-100 standard (confirming current life status)
- Identifying when the phrase "Not Applicable" should be used in a quality manual

Additionally, the Committee plans to receive status updates or presentations on delegation, export licensing, DOT and ATF requirements for certain hazardous materials, as well as an update on current status of the FAA.

This year, the ASA Quality Assurance Committee will meet in Florida on the Saturday before the ASA Annual Conference (June 25). Those who wish to attend the June ASA Quality Assurance Committee must RSVP to the Association at least a week ahead of time so that we can be sure we're able to accommodate everyone.

Attendance at an ASA Quality Assurance Committee meeting is open to any ASA member, as well as to invited guests. If you are not an ASA member and would like to attend an ASA Quality Assurance Committee meeting, please contact Greg Tinti at ASA [(202) 347-6899].

RSPA - The Breakup

The organization responsible for hazardous materials regulations - formerly known as the Research and Special Programs Administration, has been split, and one half of the resultant organization now has primary jurisdiction over hazmat regulations. The source of hazmat guidance will be known as the Pipeline and Hazardous Materials Safety Administration. This change allows PHMSA to better focus on managing and enforcing the hazardous materials regulations.

PHMSA shares the enforcement role with the FAA (both are part of the Department of Transportation, or DOT), which brings many of the enforcement actions in our industry. More than one-third of the DOT's hazardous materials enforcement actions involve the failure of hazmat employers to provide training or maintain test records. In most cases violations are attributed to failure to provide function specific training. For example, an investigator questions incorrect entries on a shipping paper prepared by a hazmat employee who responds that he was not instructed, nor tested, by his hazmat employer regarding the preparation of shipping papers.



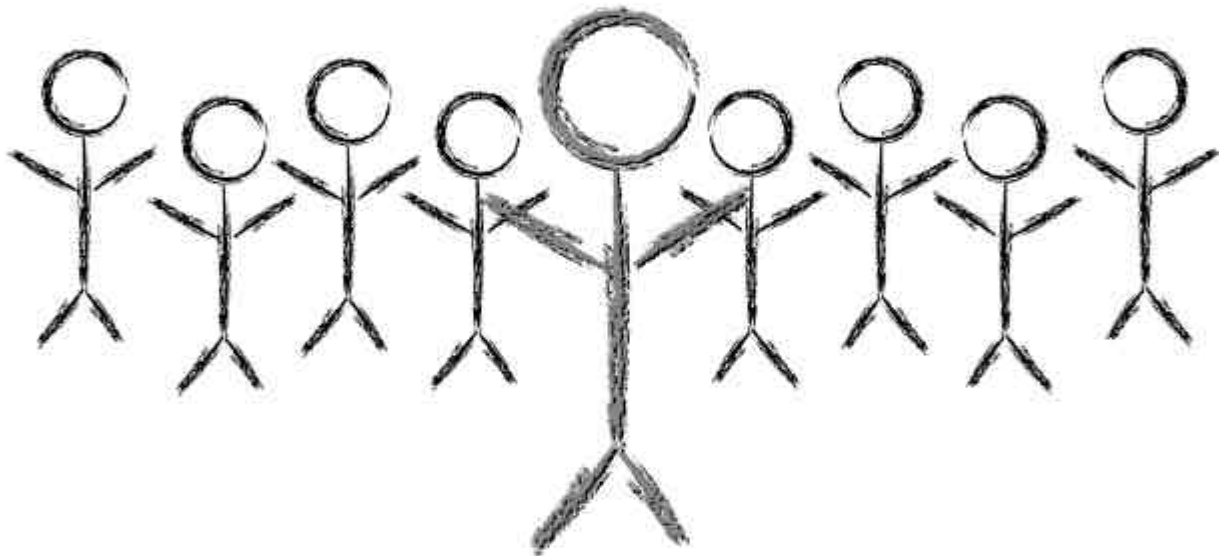
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ISSUES OF THE UPDATE REPORT ARE NOW ONLINE!

Are you reading a borrowed copy of the Update Report? Subscriptions to the Update Report are now FREE to persons in the aviation industry or the government. To receive your free subscription, send your name, title, company, address, phone number, fax number and email address to ASA. Our email address is info@aviationsuppliers.org and our fax number is (202) 347-6894.

Back issues of the Update Report are now on-line! Missing a prior issue? Issues of the Update Report are being added to the ASA web site about one month after they are published. Complete sets of volumes six through 12 are now on-line!

2005 CALENDAR OF EVENTS!

* = Look for Jason, Michele or Jeanne on the speaking program or on the Trade Floor. For additional information click on the link below

June 25-28	*ASA Annual Conference, Boca Raton Resort & Club, Boca Raton, FL. See http://www.aviationsuppliers.org for details.
June 29-30	*Hazmat Training, Miami, Florida. http://www.washingtonaviation.com/hazmat
August 20-23	*2005 ACPC, San Diego, CA. http://www.acpc.com
September 7	*ASA Regulatory Workshop, Atlanta, GA. http://www.aviationsuppliers.org/training/Workshops.htm
September 15-16	*Hazmat Training, Dallas, TX. http://www.washingtonaviation.com/hazmat
September 22	*ASA Regulatory Workshop, Newark, NJ. http://www.aviationsuppliers.org/training/Workshops.htm
October 11-12	*Hazmat Training, Reno, NV. http://www.washingtonaviation.com/hazmat
October TBA	*ASA Regulatory Workshop, London, UK http://www.aviationsuppliers.org/training/Workshops.htm
October 18-20	*MRO Europe, Berlin, Germany. http://www.aviationnow.com
November 8	*ASA Regulatory Workshop, Los Angeles CA. http://www.aviationsuppliers.org/training/Workshops.htm
November 10	*ASA Regulatory Workshop, Seattle, WA. http://www.aviationsuppliers.org/training/Workshops.htm
November 15	*ASA Regulatory Workshop, Dallas, Ft. Worth. http://www.aviationsuppliers.org/training/Workshops.htm
November 17	*ASA Regulatory Workshop, Chicago, IL. http://www.aviationsuppliers.org/training/Workshops.htm
December TBA	*ASA Regulatory Workshop, Ft. Lauderdale/Miami, FL.

www.aviationsuppliers.org
Fax: (202) 347-6894
Tel: (202) 347-6899
Washington DC 20005
734 15th Street, NW, Suite 620

