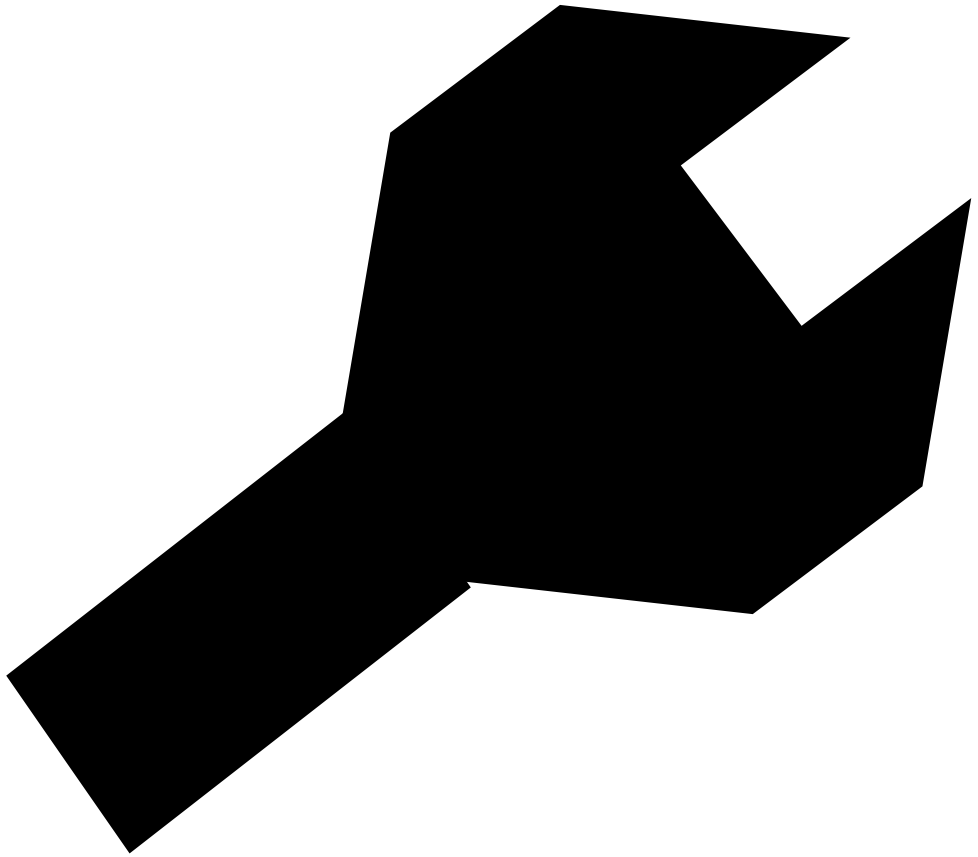
IATA WEBINAR

Used Serviceable Material (USM) - LLP Traceability Implementation

Wed. 22 July2020
8-9am [EST]/2-3pm[CET]

IATA



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- Your mic is automatically **muted**.
- **Polls:** Click on Submit once you have selected your answer
- **Questions:** click on **Questions** on the right side of your screen to submit your questions

Agenda

- ❑ Our Moderator & Panelists
- ❑ Used Serviceable Material (USM): LLP Traceability Implementation
  - IATA's vision on Traceability; implementation timescale
  - Regulatory and commercial aspects
  - Main parameters (elements) to be traced
  - Support documentation
  - Implementation
  - Specific cases
- ❑ Q&A Session

Our Moderator & Panelists

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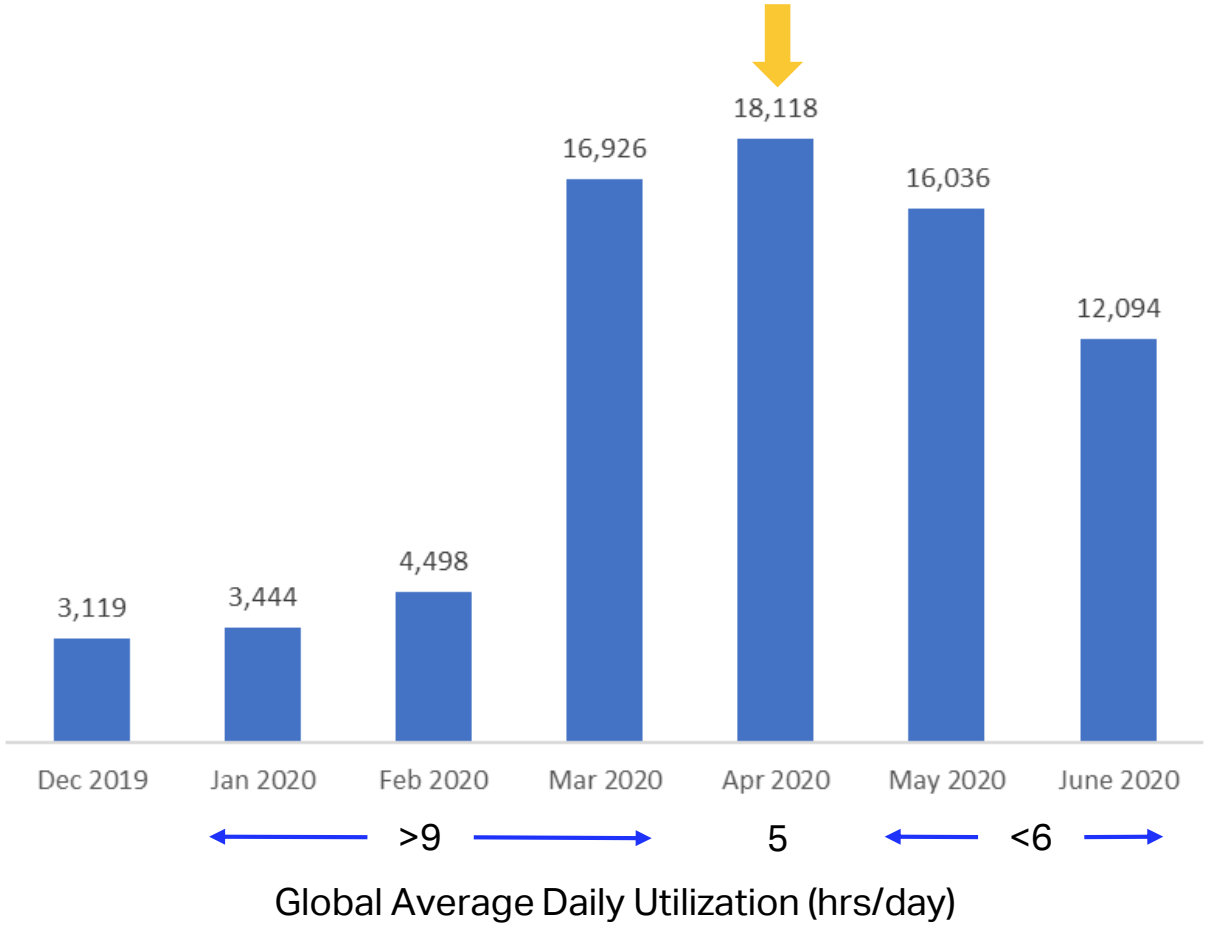
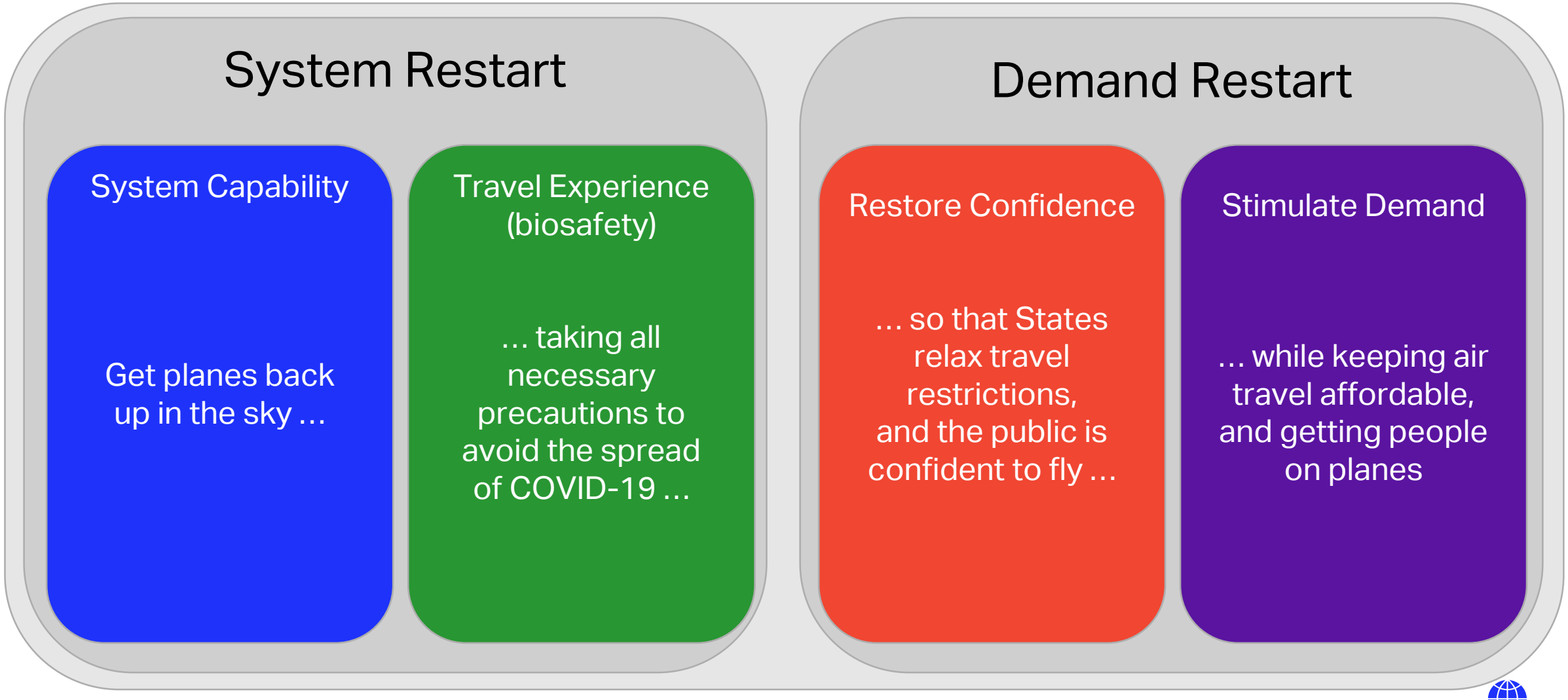
Worldwide impact: 65% of fleet grounded



Source: Cirium

Airline Industry Restart

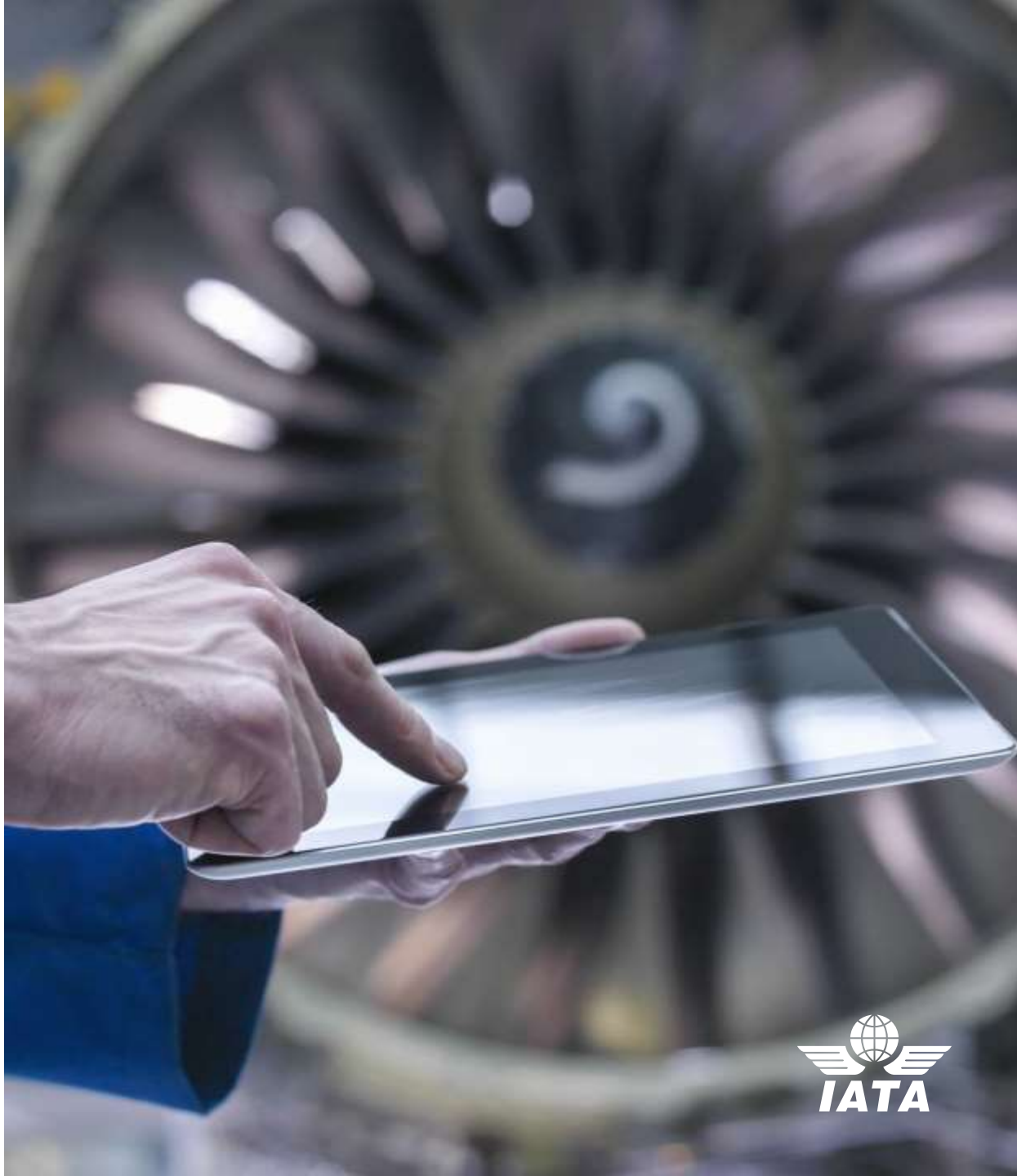


Background

- Back to Birth Traceability
  - Regulatory requirements
  - Commercial developments
- Need for Used Serviceable Material (USM)
  - Airlines in dire economic condition
  - Material cost increases
- Aircraft Documentation
  - The value is in the “paperwork”
  - LLPs represent the most valuable group of USM

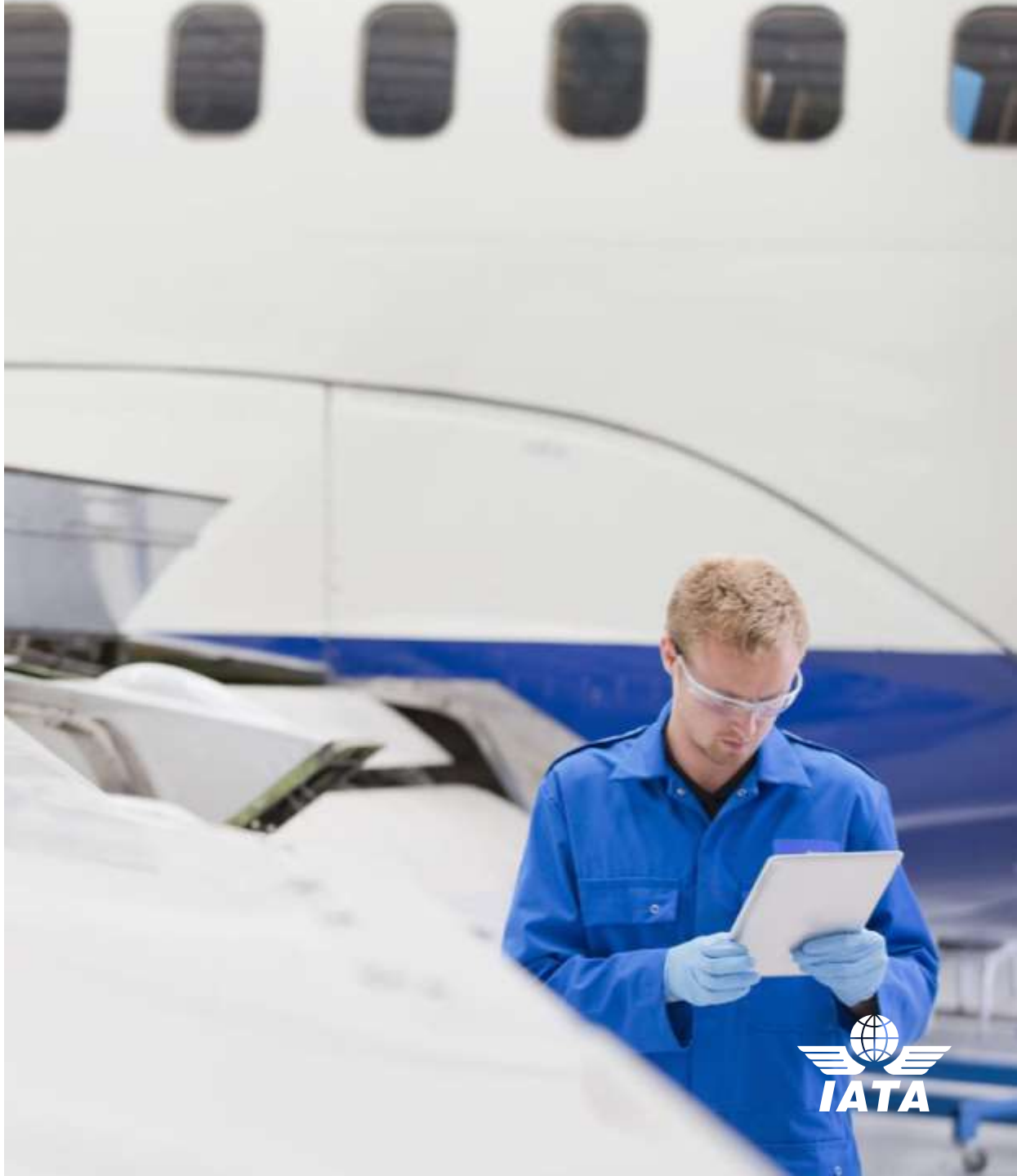
History

- IATA's Aircraft Leasing Technical Group
  - ALTG: www.iata.org/altg (former ALAG)
- CX brought up the topic and proposed template
  - oneworld industry effort with IATA
- ASA was instrumental to restart the effort



Webinar objectives

- Introduce the LLP Traceability Guidance material:
  - Download
- Industry-supported effort; represented industry segments
- Provide highlights and key points
- Effectivity: Jan 1, 2021
- Backwards traceability not required



Elements

- Need to frame the ever-expanding documentation
- Template and electronic format
- Template entry ⇨ Birth document
- Supporting documentation
- Specific cases (need your input!)
- Regulatory Framework

LLP Regulatory Standards

Jason DICKSTEIN

General Counsel, Aviation Supplier Association

Common LLP Requirements within the EASA (EU) and FAA (US) Systems

- Design Approval Holders are responsible for publishing airworthiness limitations
  - Normally, these are for components whose failure cannot be mitigated through redundancy
  - Components are tested to ascertain life, and then a life-limit is established at a safe point before failure would be a reasonable concern
  - The expectation is that parts will be removed before, or upon, reaching the airworthiness limitation
- Manufacturers are required to mark LLPs with a serial number so they can be uniquely-tracked
- Aircraft Owner/operators are required to know current life status so they can exercise their airworthiness limitations obligations
- Aircraft Owner/operators are required to provide LLP status upon aircraft transfer
- Neither system requires back-to-birth records (*but see next page for EASA engine requirements*)

US vs. EU – Some LLP Differences

EASA (EU)	FAA (US)
Owners must have a system for retaining total time in service.	Owner need only know total time in service.
Continuous Airworthiness Maintenance Organizations (CAMOs), which do not exist in the FAA system, are obliged to control the LLPs.	Installers (at the time of installation) and owner/operators have obligations with respect to controlling LLPs.
Engine LLP records will require a full set of prior installation records in those cases where the life varies depending on the characteristics of the installed engine(s). Back-to-birth records may reflect a mechanism for accomplishing this.	Back-to-birth records are specifically not required according to FAA policy. They are nonetheless looked upon as an important commercial mechanism for confirming current life status.
When a life-limited part is removed from an aircraft and the remover intends to attach an EASA Form 1 to the part, then the removed should first establish the appropriate life status of the part.	When a life-limited part is removed from an aircraft the remover must control the LLP to prevent installation after the life limit (e.g. through marking, tagging, or other records).

ASA
AVIATION SUPPLIERS ASSOCIATION

LLP Conclusions

- There is a baseline of common LLP requirements that applies across commercial aviation
- Most of the “requirements” facing the industry are commercial norms, rather than regulatory obligations
- Some of these commercial norms have been the source of unnecessary commercial frustration
- An LLP standard that can focus on the minimum standards necessary to meet ICAO standards, as those standards have been implemented by the largest regulatory authorities, would help to eliminate some of the frustrations encountered by the industry

PRESENTER

MITCH WEINBERG

President, International Aircraft Associates, Inc.

Board Member, Aviation Suppliers Association (ASA)

LLP's are the most critical parts within an engine

They also make up the majority of the value

Regulations are in place to protect the integrity of the tracking of LLP life

Trust in this system is paramount

Inventing multiple methods outside of the regulations to build trust in the system has occurred

An apparent lack of trust has brought us to this breaking point

A regaining of trust is paramount

A trust in the industry, its regulations, its adherence to regulations, its best practices are all key to making this change

The industry is currently under a high level of stress

No need to add to this stress

No need to add cost

The timing of this Guidance Material and Best Practices has occurred at a time when it is most important to begin implementation.

It provides overall efficiency and trust in quality, safety, transactions and reduces costs

ALL SEGMENTS OF THE COMMERICIAL AVIATION INDUSTRY ARE REPRESENTED IN THIS INITIATIVE

OEM, AIRLINE, LESSOR, MRO, AFTERMARKET

ALL PARTICIPANTS AND CONTRIBUTORS AGREE THAT SAFETY AND QUALITY ARE FIRST…

ALL AGREE THE COMMERCIAL REQUIREMENTS ARE OVERWHELMING AND DO NOT ADD VALUE AS CURRENTLY TRANSACTED

THE CURRENT CONDITIONS CREATE LOSS OF VALUE, INCREASED OVERHEAD AND BOG DOWN TRANSACTIONS

THE REAL INITIATIVE IS TO GET TO THE SOURCE OF THIS CURRENT CONDITION OF

"WANT VS. NEED"

THE GOAL

CHALLENGE THE EXCESS "WANTS and NEEDS", GET TO THE SOURCE (A PERSON OR A POLICY) AND EDUCATE TO THE BENEFIT OF EACH PARTY AND THE INDUSTRY AS A WHOLE

MAKE A COMMITMENT, A PLEDGE, TO EDUCATE AND IMPLEMENT THIS INITIATIVE

Q&A Session

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