



**U.S. Department
of Transportation**

Federal Aviation
Administration

Suspected 'Unapproved Parts' Program Plan

Prepared by

**The FAA Suspected 'Unapproved Parts' Task
Force**

October 6, 1995

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List of Acronyms

AC	Advisory Circular
ACS	Civil Aviation Security
ACO	Aircraft Certification Office
AD	Airworthiness Directive
AFS	Flight Standards Service
AGC	Office of the Chief Counsel
AIR	Aircraft Certification Service
AIR-DU	Aerospace Industry Regulation of Distributors
ARAC	Aviation Rulemaking Advisory Committee
ASI	Aviation Safety Inspector
ATA	Air Transport Association of America
AVR	Regulation and Certification Organization
BBS	Bulletin Board System
CFR	Code of Federal Regulations
COC	Certificate of Conformance
DBA	Database Administrator
DCIS	Defense Criminal Investigative Service
DoD	Department of Defense
DOT/OIG	Department of Transportation Office of the Inspector General
DRMO	Defense Reutilization and Marketing Office
EIS	Enforcement Information System
FAA	Federal Aviation Administration
FAR	Federal Aviation Regulations
FBI	Federal Bureau of Investigation

List of Acronyms, Continued

FSCAP	Flight Safety Critical Aircraft Part
FOIA	Freedom of Information Act
FSDO	Flight Standards District Office
GAO	General Accounting Office
IFCA	Instructions for Continued Airworthiness
IPC	Illustrated Parts Catalog
IFO	International Field Office
IVT	Interactive video teleconferencing
JAA	Joint Aviation Authorities
JAR	Joint Aviation Requirements
MIDO	Manufacturing Inspection District Office
MIS	Management Information System
NPRM	Notice of Proposed Rulemaking
PAAT	Parts Approval Action Team
PAH	Production Approval Holders
PAT	Process Action Team
PMA	Parts Manufacturer Approval
PRS	Parts Reporting System
PTRS	Program Tracking and Reporting System
SFAR	Special Federal Aviation Regulation
STC	Supplemental Type Certificate
SUP	Suspected “Unapproved Part”
TC	Type Certificate
TSO	Technical Standard Order
USCS	U.S. Customs Service

Executive Summary

The Federal Aviation Administration (FAA) convened a Task Force to conduct a thorough review of the Suspected “Unapproved Parts” (SUPs) issue and to devise a comprehensive program plan to more aggressively address SUPs. The purpose of the review was to build on past initiatives and to take the next logical step to making the SUPs program more effective.

The Task Force’s review also took into account the concerns that had been expressed both within Congress and the Department of Transportation’s Office of the Inspector General regarding FAA SUPs policy and enforcement being inconsistent and insufficient.

An understanding of the complicated nature of the issues and the potential safety impact of SUPs led the FAA Regulation and Certification Organization to set forth a vision for both the Task Force and the SUPs program. The vision is:

To promote the highest level of aviation safety by eliminating the potential safety risk posed by the entry of “unapproved parts” in the U.S. aviation community.

The Task Force was instructed to develop a comprehensive plan to achieve this vision through a program that could be implemented easily and would include an organizational structure capable of providing clear and consistent guidance, enhanced training, more timely SUPs case processing, access to usable management information system data, and one that would also promote working closely with other law enforcement agencies in eliminating SUPs.

Task Force members were drawn from the FAA’s Aircraft Certification Service, Flight Standards Service, the Office of Civil Aviation Security Operations, and the Office of the Chief Counsel. Task Force members were Subject Matter Experts in the fields of maintenance, engineering, manufacturing inspection, law enforcement, or administrative law—all disciplines crucial to understanding the SUPs issue. Additionally, many Task Force members represented a field perspective as opposed to a headquarters view since such members would have had the most recent experience with SUPs case investigations.

The Task Force’s methodology included reviewing SUPs initiatives taken over the past 5 years, including educational seminars, guidance material, and the current prototype database being used to track SUPs cases. In particular, the Task Force focused on existing policy guidance and advisory material, and also on obtaining a clear understanding of existing pitfalls in the current SUPs

program. Task Force members applied their collective knowledge and understanding to identify areas for program improvement and enhancement. As a result, the Task Force proposed a series of recommendations to be implemented in four stages: immediate action, transition, operational phase, and sunset, in order to start immediately impacting the problems that were diagnosed without losing sight of longer-range solutions.

The Task Force recommends the following:

- *Clarify the FAA’s Policy on SUPs*
- *Standardize the Use of SUPs Terminology*
- *Establish an FAA National SUPs Program Office*
- *Establish a New Parts Reporting Information System*
- *Improve Cooperation With Law Enforcement Agencies*
- *Target Receiving Inspection Procedures for Surveillance and Enforcement*
- *Clarify the Responsibility of Persons Performing Maintenance*
- *Expedite Rulemaking*
- *Improve SUPs Investigation Training for the FAA Workforce*
- *Define Procedures to Dispose of Scrap Parts*
- *Define Procedures to Remove “Unapproved Parts” from Inventories and Aircraft.*

These items are elaborated upon in Section 1.2, “Overview of the Proposed Program Plan.”

1.0 Introduction

The U.S. Federal Aviation Regulations include a framework of rules governing the design, manufacture, and use of aviation products and parts. These regulations, along with Federal Aviation Administration (FAA) surveillance, inspection, and enforcement activities, are a key element in maintaining the historically high level of safety in U.S. air transportation.

As part of its activities, the FAA periodically reviews and updates the regulations, and issues policy guidance to its inspectors and advisory information to the industry to achieve compliance with the regulations. Particularly within the past 5 years, the FAA has intensified its efforts to educate inspectors and the public regarding the potential safety threat posed by aeronautical parts that do not meet applicable design, manufacture, and maintenance requirements. The FAA encourages the reporting of parts that may not meet applicable standards and, in 1993, established the Suspected Unapproved Part (SUP) Program to coordinate FAA efforts to minimize safety risks posed by the entry of “unapproved” aircraft parts into the U.S. aviation inventory and their installation on aircraft.

Nevertheless, there is substantial concern within Congress, the Department of Transportation Office of the Inspector General (DOT/OIG), the public, and the FAA itself that the FAA’s approach to regulating and monitoring aviation parts and enforcing the regulations is not sufficiently comprehensive. The underlying concern is whether all parts installed on aircraft during preventive maintenance, maintenance, and alteration meet all FAA requirements.

As a result of these concerns, the FAA Regulation and Certification Organization (AVR) established a SUPs Task Force to thoroughly review the issue of SUPs, evaluate the FAA’s related on-going efforts, and to devise a comprehensive Program Plan to eliminate any potential risk to aviation safety. The Task Force comprised mostly field-based personnel with technical expertise in aircraft and engine design, manufacturing, and maintenance, as well as experience in SUPs investigations. The Task Force was given 60 days to complete its review and to develop recommendations for a comprehensive SUPs Program. This document presents the results of the Task Force’s work.

1.1 Overview of the SUPs Problem

A comprehensive network of controls governs the design and manufacture of parts. Other checks and inspections occur between the manufacture and the end use of the aeronautical part by the maintenance technician who purchases the part or selects it from a stockroom for installation on an aircraft, aircraft engine, propeller, or component. Nevertheless, parts that are not eligible for installation do circumvent these controls, whether by inadvertent action or deliberate action. This section describes existing controls and some ways in which parts not eligible for installation can circumvent these safeguards and enter the aviation system.

There are a number of acceptable methods for aeronautical parts to be designed and produced. Some of these methods require specific FAA approvals. This is usually the case for major aircraft products, such as airframes, engines, and propellers, as well as for key components or parts that could significantly affect the operation of an aircraft. The FAA grants approvals only on the basis of stringent review of design criteria, facilities, processes, and quality control systems. FAA Production Approval Holders (PAHs) are subject to continual FAA surveillance and inspection to verify their compliance with the Federal Aviation Regulations and the conditions of their approvals.

However, there are a number of sources of acceptable parts that are not produced under specific FAA approvals. For example, it is permissible for the owner or operator of an aircraft to produce parts for maintaining or altering that person's own product. Manufacturers of products such as airframes and engines often specify that it is acceptable to use "standard parts," such as nuts and bolts, for production and maintenance of those products. Standard parts production is not specifically monitored by the FAA, but must conform to specified industry-accepted criteria. Standard parts can be tested for conformity and may be used in aeronautical products only when specified in the type design. Other parts not formally approved by the FAA that are acceptable if used in the proper application are parts "fabricated" by maintenance personnel in the course of their repair work for the purpose of returning a product (aircraft, engine, or propeller) to service. Such parts still are required to meet applicable design criteria.

In addition to regulating the design and manufacture of aeronautical parts, the FAA regulates the individuals and organizations that use parts. Federal Aviation Regulations address training and certification of mechanics and repairmen; certification of repair stations; and certification of air carriers, all of which may perform maintenance. Regulations specify how preventive maintenance, maintenance, and/or alterations must be performed and documented. The regulations also prescribe specific quality control and inspection procedures for certificate holders such as air carriers and repair

stations, which include procedures to carefully inspect incoming materials and parts for authenticity and conformity with applicable standards.

Thus, a series of controls exists at the source of the parts — the manufacturer — and at the final destination, i.e., the organization and mechanic using the parts for maintenance and/or alterations. These controls are designed to ensure that parts that are produced and used meet applicable design requirements, are eligible for installation, and are appropriate for a given situation.

Quality and reliability programs are an additional safeguard in the system. Aircraft, engines, propellers, and components are designed to extremely high standards of safety, with high levels of reliability. Additionally, there are redundant systems so that the potential for the failure of any individual part to endanger the operation of an aircraft is minimized.

Nevertheless, there are numerous sources of parts that do not meet applicable requirements but that do enter the aviation system. Collectively, these parts are colloquially referred to as “unapproved parts” and, similarly, “approved parts” is the colloquial term for parts that do meet all applicable requirements. The commonly used term “approved part” is not synonymous with “a part that has received a formal FAA approval.” The terms “approved parts” and “unapproved parts” as used in this report are not legal definitions, but simple a reflection of the need to have a broad term that identifies parts that should, or should not, be installed on an aircraft. In this report, parts that should be used on an aircraft (i.e., “approved parts”) are described as parts “acceptable for installation” or “eligible for installation.” (These two expressions have the same meaning in this report.)

Counterfeit parts, a type of “unapproved part,” may be new parts that are deliberately misrepresented as designed and produced under an approved system or other acceptable method even though they were not so designed and produced. Counterfeit parts may also be used parts that, even though they were produced under an approved system, have reached a design life limit or have been damaged beyond possible repair for aviation standards, but are altered and deliberately misrepresented as acceptable, with the intent to mislead or defraud.

If an “unapproved part” is not salvageable, i.e., thought to be worth saving under controlled conditions for potential future repair, it is “scrap,” and should be disposed of in such a way that it cannot be returned to aviation service. If a part is salvageable, it should be documented and controlled so that it is not returned to aviation service until it meets all requirements. However, both salvageable and scrap parts are sometimes misrepresented as having useful time left or as having been repaired in accordance with regulations.

Other examples of parts that are not eligible for use, or “unapproved parts,” as defined by the Task Force, are parts rejected during the production process because of defects; parts for which required documentation has been lost; parts that have been improperly maintained; and parts from military aircraft that have not been shown to comply with FAA requirements. None of these should be installed in an aircraft.

“Unapproved parts” also occur when a supplier that produces parts for an approved manufacturer directly ships to end users without the approved manufacturer’s authorization or a separate, applicable Parts Manufacturer Approval (PMA). An example of this is “production overrun” parts. Because these parts are not authorized by the PAH, one can not assume that they have met all the requirements of the approval holder’s required quality control process; therefore, they are in contravention of the regulations and are not authorized for use on aeronautical products.

Some “unapproved parts” may be made acceptable for use by undergoing certain testing, inspection, or repair, or if the part’s documentation can be recovered. Other parts, due to their condition or origin, cannot be rehabilitated for aviation use.

To help guard against intrusion of parts that do not meet applicable design, manufacture, or maintenance standards, the FAA has established a program for the reporting and investigation of suspected “unapproved parts” (FAA Order 8120.10, *Suspected Unapproved Part Program*, September 28, 1993). The program supplements other mechanisms for the industry to report problems found in the field to the FAA, and for the FAA to issue alerts or Airworthiness Directives (ADs), which are mandatory inspection or maintenance requirements, to the industry, as well as informational Handbook Bulletins for the FAA field workforce and Advisory Circulars (ACs) for industry.

As part of its assessment of the SUPs issue, the FAA convened a meeting in Seattle, Washington, of 47 representatives of various FAA organizations in April 1995. At that meeting, potential enhancements to the FAA SUPs program were considered. The meeting identified areas for improvement, including regulatory changes; the need for a centralized organizational and management structure; clearer lines of responsibility and objectives for the SUPs program; improved investigation procedures, processes, training, data management, and communications between entities involved in SUPs surveillance and enforcement.

Building on the Seattle meeting’s work, the Task Force reviewed the feasibility of the proposals and methodologies for putting the proposals into place. They evaluated where enhancements and new initiatives might be called for, either in the existing SUPs program or in the system at large. The Task Force was not confined to working within the existing SUPs program, but considered it as part of the overall current SUPs picture along with recent SUPs-related initiatives. Such initiatives include publication of AC 21-29, *Detecting and Reporting*

Unapproved Parts (revised July 16, 1992), and AC 21-38, *Disposition of Unsalvageable Aircraft Parts and Materials*, (July 5, 1994); public education programs, such as a series of approximately 150 “Approved Parts” Seminars and a widely-distributed videotape on the subject; a “hotline” to facilitate reporting SUPs to the FAA by the aviation community; the Parts Approval Action Team (PAAT), formed to resolve problems associated with parts that lack proper documentation associated with FAA PMAs; and regulatory projects that would enhance parts recordkeeping requirements and enhance the FAA’s ability to pursue SUPs investigations. (Appendix B is a compilation of such efforts by Flight Standards Service (AFS), Aircraft Certification Service (AIR), and special teams such as PAAT; and Appendix C contains the Task Force’s brief review of existing and draft SUPs-related ACs, Orders, and Memoranda.)

1.2 Overview of the Proposed Program Plan

The Task Force has developed a **Proposed Program Plan** that identifies a number of areas where FAA SUPs actions can be enhanced to further “choke off” points at which “unapproved parts” enter the aviation system. The proposed program plan addresses transitional, phase in, operational, and sunset phases. Key elements of the plan include the following:

- ***Clarify the FAA’s Policy on SUPs***

A policy statement should be issued, clearly stating that the FAA is committed to more aggressive and consistent surveillance and enforcement, adequate guidance to its employees, and a cooperative working relationship with other government agencies. The Task Force was concerned by the perception that FAA policy with regard to SUPs may be inconsistent or insufficiently comprehensive, and believes that a message should be issued immediately to FAA management, field workforce, and the public affirming the FAA’s commitment to SUPs surveillance, investigation, and enforcement as a means of precluding “unapproved parts” from posing a potential safety threat.

- ***Standardize the Use of SUPs Terminology***

Accept the proposed definitions of key terms by incorporating them into internal guidance and external advisory material, as well as by establishing a consistent progression of logic tests by which a part would be found to be “approved” or “unapproved,” embracing the colloquial understanding of those words to mean “acceptable for installation” or “not acceptable for installation” or the equivalent, “eligible for installation” or “ineligible for installation.” The proposed definition would expand the FAA’s current

concept of what constitutes an “unapproved part” and therefore could lead to an increase in the number of SUPs reports.

- ***Establish an FAA National SUPs Program Office***

Establish an FAA National SUPs Program Office to encompass SUPs expertise and processes currently residing in two separate organizational entities within the FAA, i.e., AIR and AFS. Such a move would ensure a structure to assist with the development and dissemination of consistent policy and procedures for both design/manufacturing and maintenance, especially in the areas of inspector training for SUPs investigation. This high-level, high-visibility office would report to AVR-2 and provide FAA personnel as well as industry and law enforcement agencies with a single source for technical information — a “single voice” and centralized point of contact on SUPs policy and procedures. Furthermore, the office, which would focus exclusively on SUPs, would be easily accessed and would emphasize rapid response to facilitate the SUPs work of field personnel. It is envisioned that these functions would eventually be taken over by Regional and Directorate SUPs Coordinators as soon as proposed policy, guidance, and procedures have become institutionalized in the FAA.

- ***Establish a New Parts Reporting Information System***

The office would also develop and manage an enhanced information system, the “Parts Reporting System” (PRS), which would be designed to provide a wide range of information for investigators and FAA managers. This system would receive reports generated from a range of sources, including FAA personnel, law enforcement agencies, and the aviation industry, which would continue to be encouraged, and eventually required, to report SUPs to the FAA. The PRS would also assist FAA investigators by providing them with a variety of information, both current and historical, and would assist FAA management in monitoring trends and allocating resources. The system would be designed to be linked to other FAA information systems to provide users with rapid access to such information as certificate holders, policy and guidance material, and other enforcement information. The system would distinguish among different types of “unapproved parts” to help the FAA respond to problems in the most effective way.

- ***Improve Cooperation With Law Enforcement Agencies***

Standard Operating Procedures should be developed to expedite how the FAA works with law enforcement agencies that conduct criminal investigations related to SUPs, because the FAA’s emphasis is on how a SUP affects safety. To that end, the Task Force recommends that the FAA disseminate its SUPs case reports simultaneously to the DOT/OIG and to all interested Federal law enforcement agencies for whatever action they deem

appropriate. The Task Force also recommends that designated “points of contact” be established in both FAA and law enforcement agencies to enhance working relationships and increase the flow of information between the FAA and the law enforcement agencies, facilitating both criminal investigations and the FAA’s safety responsibilities. The Task Force held several highly productive meetings with representatives of FAA Office of Civil Aviation Security (FAA/ACS), the DOT/OIG, the Department of Justice, the Federal Bureau of Investigation (FBI), the Defense Criminal Investigative Service (DCIS), and the U.S. Customs Service (USCS) to discuss how to improve FAA SUPs investigative procedures and to enhance communications with such organizations and agencies, which may be conducting parallel investigations. Standard operating procedures between the FAA and law enforcement agencies on SUPs matters should be formalized by the new SUPs Program Office as soon as practicable. These procedures should address how each organization with interest in a SUPs case would keep the other informed and how each would determine when to request the involvement of the others.

- ***Target Receiving Inspection Procedures for Surveillance and Enforcement***

A special “campaign” of surveillance and enforcement should be outlined in the National Work Program Guidelines for fiscal year 1996, which would target airlines’ and repair stations’ parts-receiving and inspection systems. Similar emphasis should be included in setting work priorities in surveillance of PAHs. Such an effort would verify that these certificate holders have procedures in place that permit them to adequately inspect incoming parts and to screen out “unapproved parts” to prevent their use in aircraft production, maintenance, and alteration.

- ***Clarify the Responsibility of Persons Performing Maintenance***

Ensure that all FAA inspectors inform certificate holders that aviation maintenance personnel in the holders respective organizations must understand their regulatory responsibility to perform work so that the aircraft or aircraft products on which maintenance is performed are restored to a state at least equal to their original or properly altered condition. This means that the parts or materials used must be consistent with this requirement, as mandated in 14 CFR Part 43.

- ***Expedite Rulemaking***

The FAA should initiate a new rule and expedite the two pending rules that impact SUPs. The recommended rule would mandate that all persons, including repair stations, air carriers, mechanics, and others **must** report SUPs to the FAA. Currently, SUPs reporting is on a voluntary basis. A rulemaking project currently under review would upgrade maintenance recordkeeping requirements and emphasize that persons receiving or transferring aeronautical products **must** transfer the corresponding documentation for those parts. A second rulemaking project currently under review would prohibit **any person** from making a fraudulent or intentionally false statement in **any record** used to represent the acceptability of an aircraft product, part, or material used in civil aircraft. In addition, the Task Force supports a current initiative within the aviation industry to develop a program under which distributors and dealers would apply for voluntary accreditation based on independently verified quality control systems.

- ***Improve SUPs Investigation Training for the FAA Workforce***

Provide the FAA workforce with interim, formal, and reinforcement training to enhance FAA SUPs investigative actions. This training should emphasize the cross-disciplinary nature of SUPs investigations by including both AIR and AFS personnel, and including input from ACS, AGC, and law enforcement agencies.

- ***Define Procedures to Dispose of Scrap Parts***

The FAA should review measures necessary to ensure that scrap parts are destroyed so that they cannot be returned to aviation use. This may include rulemaking requiring owners of aviation parts who determine that those parts are scrap to destroy the parts prior to disposing of them.

- ***Define Procedures to Remove “Unapproved Parts” from Inventories and Aircraft***

The FAA and the industry should have as a goal the removal of all “unapproved parts” from aircraft as soon as practicable, in accordance with a process similar to the Minimum Equipment List (MEL) procedures for treatment of inoperative equipment. This will ensure that safety standards are maintained without causing unwarranted grounding of aircraft. “Unapproved parts” in inventories should be removed as well, particularly when they become candidates for installation.

Pending implementation of the Proposed Program Plan, the FAA Task Force recommends that the FAA take immediate steps to reduce the potential impact of “unapproved parts,” consistent with the initiatives just described. These steps are:

1. ***Initiate a “special emphasis campaign” for surveillance and enforcement*** — by creating as a special emphasis item for fiscal year 1996, the surveillance of receiving inspection control systems of airlines and repair stations, as well as procedures for supplier surveillance, and maintain this special emphasis to ensure that changes are made to any system that fails to ensure that only parts eligible for installation are installed. Voluntary actions should be encouraged, but the FAA should mandate changes to certificate holders’ required procedures or take swift enforcement action, as appropriate.
2. ***Clarify parts usage*** — by immediately disseminating to FAA inspectors and the industry information regarding how maintenance personnel can comply, in terms of parts usage, with their responsibility to perform their work such that the aircraft or product is at least equal to its original or properly altered condition. That is, they must use properly documented “approved parts,” or make a determination that the part is eligible for installation using acceptable procedures. Also disseminate information to the FAA field workforce and the industry regarding the responsibilities of PAHs with respect to monitoring their suppliers and ensuring quality control and control over direct shipping and production overruns.
3. ***Clarify the FAA’s expectation for Quality Control Systems*** — by communicating to the industry and to FAA inspectors that the FAA expects the quality control systems already required of airlines and repair stations that are certificate holders under 14 CFR Parts 121, 135, 129, and 145 to ensure that only parts suitable for installation are purchased and installed on aircraft or other products. Similarly, PAHs should be reminded of their responsibilities with respect to their suppliers under 14 CFR Part 21.
4. ***Develop a sample procedure for receiving inspections*** — The FAA should develop a sample parts receiving/incoming inspection procedure with emphasis on screening incoming parts, which inspectors could use in evaluating such systems.

The Task Force foresees the following four principal phases to implementation of the proposed new SUPs program:

Immediate Action: Issue policy statement, appoint interim staff, special emphasis campaign for surveillance and enforcement, provide technical assistance to the field and industry, and initiate development of standard operating procedures with law enforcement.

Transition to National SUPs Program Office: Staffing gradually accomplished, information system under development; technical support, policy, guidance and training functions underway.

Operational Phase: National SUPs Program Office fully operational, fully staffed; information system completed; all organizational elements fully functional.

Sunset: National SUPs Program Office phased out after SUPs functions firmly institutionalized at regional, directorate, and local levels; effective working relationships with law enforcement agencies established, certain functions continued under a different structure.

1.3 Vision

The Task Force's objective was to devise a program plan to enable the FAA to meet its "Vision" for the SUPs program, which is "To promote the highest level of aviation safety by eliminating the potential safety risk posed by the entry of 'unapproved parts' in the U.S. aviation community."

1.4 Task Force Mission

To fulfill the vision, the Task Force was assigned the mission of developing a plan that provides for:

- An effectively managed and designed organization
- Pertinent regulations
- Improved processes
- A comprehensive data collection methodology
- Relevant training
- Supportive relationships.

The Task Force determined that to accomplish this mission, the FAA SUPs program should ensure that “unapproved parts” are prevented from entering the system, or, if they already have infiltrated the inventories, ensure that they are prevented from being installed on aircraft in the future and are purged from the system, including removal from inventories and aircraft, as soon as practicable.

The Task Force does not advocate grounding the air carrier or general aviation fleets unnecessarily, nor does the Task Force believe that the FAA has the authority to order removal of any parts from aircraft or inventories. However, the Task Force does believe that the FAA can suspend or revoke an aircraft’s airworthiness certificate under certain conditions, and in some cases, “unapproved parts” may warrant such action. It can similarly take enforcement action against an air carrier or repair station that does not have an adequate system for segregating “approved parts” from “unapproved parts” so that the latter cannot inadvertently be put on aircraft.

Section 6.12 sets forth a proposed methodology for eliminating “unapproved parts” from the aviation system in a reasonable manner based on the criticality of the parts and previously proven methods of dealing with inoperative equipment on board aircraft.

1.5 Task Force Charter

The Task Force’s Charter specifies the group’s tasks:

- To define a uniform system of terminology to be used by all FAA personnel when dealing with SUPs.
- To develop organizational processes or structure that support effective surveillance and enforcement of SUPs.
- To suggest rulemaking or policy guidance that would assist in the surveillance and enforcement process.
- To identify significant technical issues that require resolution which are currently impacting SUPs.
- To define roles, responsibilities, and working relationships with other law enforcement.
- To assess data and information needs to support SUPs processes.
- To supplement the current training program with SUPs training for AIR and AFS inspectors.
- To prioritize all recommendations according to their impact on reducing the safety impact of SUPs.

1.6 Task Force Composition

The Task Force chairman, who is the FAA Eastern Region Flight Standards Division Manager, has extensive experience in both FAA management and as an operations inspector. He also has prior aviation operations and law enforcement experience. Task Force members were selected from principal FAA disciplines with SUPs-related duties, and represented two services within AVR: AFS, responsible for surveillance and inspection related to preventive maintenance, maintenance, rebuilding and alteration; and AIR, responsible for surveillance and inspection related to design and production. In addition, the Task Force members included representatives of the Office of the Chief Counsel (AGC) and ACS, who brought expertise in administrative law and law enforcement. Most of the Task Force members also had extensive previous experience in industry, including airline maintenance and aircraft and engine design and manufacture. To ensure that policy and guidance took into account the needs of field inspectors who had the most recent SUPs case experience and who are responsible for regulatory implementation, a significant number of team members were from field facilities.

The members, listed in Appendix A, currently work in FAA offices responsible for overseeing certification of aircraft and engine design and manufacture, including large transport category airplanes and jet engines; airworthiness and maintenance of aircraft and engines; continued airworthiness programs; and administrative law and related enforcement issues.

1.7 Scope of the Task Force's Work

The Task Force addressed many aspects of the SUPs problem, including how SUPs affect various segments of the industry such as airlines and general aviation, sources of “unapproved parts,” how mechanics and FAA field inspectors currently handle many types of “real world” situations and how they might react to various types of new measures, and how FAA safety duties relate to law enforcement agencies’ criminal investigations. SUPs issues include complex technical issues related to product design, manufacture, maintenance, and documentation. SUPs also involve regulatory and legal issues.

The Task Force placed primary emphasis on issues related to air carrier aircraft and maintenance because this is the area of concern to the majority of the traveling public. However, issues related to 14 CFR Parts 21, 43, and 91 also affect the general aviation and air taxi segments of the aviation industry, and the Task Force’s proposals would address these areas as well.

The management information system proposed by the Task Force would help provide the needed information to understand the problem and to measure the effectiveness of the SUPs Program actions. Since adequate historical data do not exist at this time, the Task Force could not, in this short time period, attempt to gauge the size of the SUPs problem. The Task Force believes that the FAA should have a more quantitative understanding of the size of the “unapproved parts” issue, to determine the portion of resources to be allocated. One of the principal benefits of the proposed PRS will be the collection and analysis of information that would help the FAA, industry, and law enforcement officials to better understand the size and characteristics of all types of “unapproved parts” problems. This would help the FAA to develop remedies for problems, set priorities, and measure how effective the remedies are.

1.8 Task Force Methodology

The Task Force first met on August 7, 1995, and adopted its proposed charter as well as identified the critical issues to be addressed.

The Task Force reviewed documentation regarding FAA activities related to SUPs. This included regulations, FAA directives, ACs, and draft copies of additional regulatory and guidance material currently being developed by the FAA and its Aviation Rulemaking Advisory Committee (ARAC).

The Task Force then studied current efforts and the pitfalls and key problems that have surfaced in those efforts. The Task Force held extensive discussions with representatives of the law enforcement agencies most prominently involved in “unapproved parts” investigations, i.e., FAA ACS, the DOT/OIG, the Department of Justice, the FBI, the DCIS, and the USCS. The Task Force also received briefings from DOT/OIG audit personnel, and from FAA training specialists and personnel working with the current SUPs prototype database.

The Task Force members then used their collective experience in analyzing and understanding critical issues in evaluating the potential impact of a range of possible solutions. The Task Force’s analysis included evaluation of various program models in the context of the Task Force members’ experience as Subject Matter Experts. The Task Force proceeded on an issue by issue basis, considering potential responses of various types, e.g., regulatory, guidance, training, or process. The Task Force then tested the potential effect of these possible responses in terms of actual and hypothetical “unapproved parts” cases. The Task Force sought solutions that would provide creative approaches for the short term and the long term.

1.9 Organization of This Document

This document presents the results of the Task Force’s deliberations, discusses its conclusions, and sets forth the group’s recommendations. The document is organized as follows: Section 1.0 introduces the SUPs issue, and provides an overview of the recommended program plan, the Task Force vision, mission, charter, and composition, the scope of the Task Force’s work, and its methodology; Section 2.0 addresses the issue of standardized SUPs policy; Section 3.0 addresses issues associated with the need for standard terminology; Section 4.0 describes the proposed FAA National SUPs Program Office; Section 5.0 addresses regulatory issues; Section 6.0 addresses a wide range of related technical issues; Section 7.0 describes the proposed PRS database; Section 8.0 addresses relationships with law enforcement agencies; Section 9.0 addresses training requirements; and Section 10.0 presents the Task Force’s suggestions for implementing the plan. A series of appendixes contain additional details regarding the Task Force and the proposed program plan.

2.0 Policy

Issue: FAA policy should reflect a commitment to eradicating SUPs to eliminate any potential safety threat.

Recommendation: The FAA should issue a policy statement reaffirming a clear FAA commitment to eliminating “unapproved parts” from the aviation system.

Recommendation: Add a “required item” to the AFS National Work Program (National Program Guidelines) for SUPs surveillance and make SUPs surveillance a “special emphasis” item for the manufacturing inspection program. This addition should be made to the fiscal year 1997 program, although AFS and AIR should direct that SUPs receive equivalent priority in the fiscal year 1996 programs.

Discussion: SUPs is only one of many priority issues facing FAA policy makers and inspectors in the field. The Task Force noted that, over time, differing views have developed regarding the priority to be assigned to SUPs and how SUPs cases fit in with other competing inspector duties. The matter is further complicated by the interdisciplinary nature of SUPs, as discussed in Section 4.0.

The issue crosses the boundary of two services within the Regulation and Certification Organization, and hence is not the sole responsibility of either of the services. The Task Force believes that a firm policy statement reaffirming SUPs as part of AFS inspectors’ mandated work programs and AIR inspectors’ objectives would eliminate confusion as to the priority given to SUPs surveillance, inspection, and investigation.

Law enforcement representatives with whom the Task Force met requested that the FAA speak with “one voice,” i.e., that FAA policy and guidance be standardized and consistent. The representatives requested that the FAA clarify for its workforce that the FAA’s top management considers the potential safety risk of SUPs an important issue and that cases should be vigorously pursued.

The Task Force agreed that FAA policy with respect to detection and enforcement of “unapproved parts” cases is not consistently perceived within the FAA. The Task Force determined that the first step toward developing an effective SUPs program would be to issue a clear policy directive from the Administrator. The Task Force developed a draft policy statement. A key element of the policy is that the FAA would enforce current regulations, as well as implement regulatory changes to strengthen the FAA’s response to the “unapproved parts” problems.

POLICY STATEMENT

“UNAPPROVED PARTS”

It is the policy of the Federal Aviation Administration to eliminate the potential safety risk posed by “unapproved parts” in the U.S. aviation system by:

- **Conducting** aggressive and consistent surveillance for suspected “unapproved parts.”
- **Investigating** thoroughly and timely when suspected “unapproved parts” are detected or reported.
- **Responding** with rapid and uniform enforcement when “unapproved parts” are found.
- **Providing** a sound regulatory basis and associated guidance for FAA personnel and the public.
- **Coordinating** FAA efforts with law enforcement agencies engaged in the prosecution of criminal activity.

In support of this policy, the Task Force believes that the AFS National Program Guidelines, which establish the baseline of surveillance priorities for inspectors, should specifically reflect SUPs as a special emphasis or “required item.” The Task Force also believes that SUPs surveillance should be a special emphasis item for Manufacturing Inspection District Office (MIDO) inspectors. Appropriate workload tracking codes should be reviewed, and expanded or changed if necessary, within existing programs to adequately identify SUPs work for both the MIDO and FSDO field workforce.

3.0 Terminology

Issue: The concept of “approved parts” versus “unapproved parts” is not well understood because there is no single, comprehensive definition of an “approved part” or other key terms used in the discussion of SUPs issues.

Recommendation: The FAA should adopt definitions of the following main terms used with regard to parts eligible for installation in type certificated products to ensure that use of the terminology in government and the public is consistent and promotes a common understanding and use of the concepts: “approved part;” “unapproved part;” standard part; and counterfeit part. Such definitions are intended for the purpose of this Proposed Program Plan as well as for the purpose of future respective guidance documents and for colloquial use, as opposed to legal definitions. Hence, the Task Force does not recommend regulatory changes to adopt the definitions.

Discussion: The regulations do not explicitly state in a single place when a part is acceptable, or eligible, for installation in terms of its manufacture, documentation, and maintenance status; however, all of these factors — i.e., the part’s origin (be it through an FAA-approval or other acceptable manufacture), its current condition in terms of maintenance, and the documentation for its origin and maintenance — are addressed separately in the regulations and are related to a part’s acceptability, or eligibility, for installation.

Replacement or modification parts that are acceptable for installation — or eligible for installation — currently are addressed through two main perspectives in 14 CFR, the Federal Aviation Regulations — manufacture of parts and their use in preventive maintenance, maintenance, rebuilding, or alteration. The regulations specify how parts may be produced pursuant to FAA approvals, and how parts may be produced outside of the FAA approval process but in a manner that is nevertheless acceptable to the FAA. The regulations also address how aircraft should be maintained and how such maintenance should be documented.

Title 14 CFR Part 21, Certification Procedures for Products and Parts, is the key regulation addressing requirements for producing modification or replacement parts for sale for installation on aircraft, aircraft engines, or propellers (these items are “type certificated products”). Section 21.303 states that, with certain specified exceptions, “No person may produce a modification or replacement part for sale for installation on a type certificated product unless it is produced pursuant to a Parts Manufacturer Approval.”

The exceptions to this requirement are the following:

1. Parts produced under a type or production certificate.
2. Parts produced by an owner or operator for maintaining or altering his own product.
3. Parts produced under an FAA Technical Standard Order.
4. Standard parts (such as bolts and nuts) conforming to established industry or U.S. specifications.

A further exception effectively occurs in 14 CFR Part 43, Maintenance, Preventive Maintenance, Rebuilding, and Alteration. Here, § 43.13(b) states that “Each person maintaining or altering, or performing preventive maintenance, shall do that work in such a manner and use materials of such a quality, that the condition of the aircraft, airframe, aircraft engine, propeller, or appliance worked on will be *at least equal to its original or properly altered condition....*” (Emphasis added.)

The language of 14 CFR § 43.13 can be construed to give mechanics, repair stations, and airlines some flexibility in selecting or even fabricating parts if they can determine that the item being worked on will be at least equal to its original or “properly altered condition.” Part 43 contains no explicit requirement that mechanics or repair stations use only “approved parts” or parts produced in accordance with Part 21.

Clear, consistent use of terminology would help aviation industry manufacturing and maintenance personnel, and FAA inspectors and engineering staff determine what parts are eligible for installation on aircraft and other type certificated aeronautical products. Thus, the discussion, for purposes of SUPs, should focus on the part’s overall eligibility for installation rather than addressing only one aspect of a part’s status.

FAA guidance and advisory material for its inspectors and the industry currently address how to distinguish between parts that are eligible for installation on aircraft and parts that are not acceptable. However, the Task Force found certain inconsistencies among some of this guidance and advisory material. (Appendix C contains a list of Advisory Circulars, Orders, and Memoranda, and whether the Task Force believes they should be revised or canceled due to inconsistencies in terminology or other treatment of SUPs issues.)

Therefore, the Task Force addressed clarification of the following terms as one of its top priorities:

1. “Approved part”
2. “Unapproved part”

3. Standard part
4. Counterfeit part.

'Approved Part'

The underlying question facing maintenance personnel when installing a part on an aircraft or other type certificated aeronautical product is: “Is the part eligible for installation?” The Task Force members, based on experience in design, manufacture, and maintenance as well as in SUPs investigations, recognize that the widely held perception of “approved parts” encompasses whether the part was properly manufactured and whether it has been properly maintained. Therefore, for purposes of future guidance and advisory material addressing SUPs issues, the Task Force sought to define “approved part” in a manner that would capture all aspects of a part’s eligibility for installation. The term “eligibility” is considered synonymous with acceptability, but is preferred in this context to avoid giving the impression that the part, beyond being designed, produced, and maintained so that it is acceptable for use in general, is also acceptable for use in any circumstances. Clearly, whether a part may be used in a given application depends on the application and is not a matter for the “approved parts” discussion.

The Task Force considers that an “approved part” should be one that is eligible to be installed on an aircraft or other type certificated product. (Only an aircraft, aircraft engine, or propeller receives a type certificate.) This means, essentially, a part that is designed, produced and maintained in accordance with the regulations and is in a condition for safe operation. The regulations that apply to these parts are 14 CFR Part 21; 14 CFR Part 43; and 14 CFR Part 91. Part 21 addresses design and manufacturing, and Parts 43 and 91 address maintenance requirements. A part will remain in a condition for safe operation as long as it is maintained in accordance with Parts 43 and 91.

Thus, the Task Force developed a definition that addresses a part’s manufacturing origin and its maintenance status. The proposed definition includes parts designed and produced under FAA approvals as well as parts designed and manufactured under other systems that the regulations recognize as acceptable. The definition addresses all aspects of whether a part is eligible for use, but it does not specify whether the part is acceptable for use in a given circumstance or application, i.e., whether it is the correct part for a specific repair.

The Task Force has adopted the following definition of “approved part:”¹

A part that has been produced in accordance with the requirements or exceptions of 14 CFR Part 21, is maintained in accordance with 14 CFR Parts 43 and 91, and meets applicable design standards. The phrase “in accordance with the requirements or exceptions of 14 CFR Part 21” means:

- a) In accordance with a PMA issued under § 21.303 (14 CFR Part 21, Subpart K).*
- b) In accordance with a Technical Standard Order (TSO) Authorization issued by the Administrator (14 CFR Part 21, Subpart O).*
- c) Produced during Type Certificate (TC; 14 CFR Part 21, Subpart B) or Supplemental Type Certificate (STC; 14 CFR Part 21, Subpart E) application procedures before the certificate is issued and in accordance with TC or STC data.*
- d) Produced under a Type Certificate without a separate production authorization (14 CFR Part 21, Subpart F).*
- e) Produced under a Production Certificate, including by a licensee, if produced under Production Certificate authority (14 CFR Part 21, Subpart G).*
- f) Produced in accordance with an approval under a bilateral airworthiness agreement (14 CFR Part 21, Subpart N).*
- g) Produced as standard parts (such as bolts and nuts) conforming to established industry or U.S. specifications, in accordance with § 21.303 (14 CFR Part 21, Subpart K).*

¹“Commercial Part” eventually should also be treated as a type of “approved part.” This Proposed Program Plan does not contain a suggested draft definition of commercial part, but efforts to develop a definition are discussed later in this section.

Commercial parts are much like standard parts in terms of their broad availability in industry, and their applicability in aviation uses. However, the term is not used in the regulations, and is little noticed in the SUPs discussion.

A proposed definition is being drafted by an ARAC team; however, their work has not been completed. The Task Force recognizes that a workable definition is not easy to develop and that the ARAC process is a more appropriate forum than the relatively brief deliberations of the Task Force. A definition for commercial parts should be adopted because such parts are not recognized in regulatory references to aeronautical parts, despite the important role they play.

If the definition is ultimately included in the regulations, it would then be another avenue to “approved part” and would be included in the list of regulatory methods to create “approved parts.”

- h) Produced by an owner or operator for maintaining or altering his own product (14 CFR Part 21, Subpart K).*
- i) Manufactured by a repair station or other authorized person during alteration (not repair) under a Supplemental Type Certificate (STC) or Field Approval. (FAA Order 8000.50 and 14 CFR Part 43).*
- j) Fabricated by a qualified person in the course of a repair for the purpose of returning a product (aircraft, engine, or propeller) to service, and not for sale as a separate part. (14 CFR Part 43).²*
- k) Produced in any other manner approved by the Administrator (14 CFR Part 21, Subpart K).*

As discussed above, under current regulations, a part does not necessarily have to be “approved” in the strict sense of the Federal Aviation Regulations to be eligible for installation on a type certificated product. The part may be produced in another acceptable manner, such as standard nuts and bolts, or a product approved for return to service under 14 CFR § 43.13(b). On the other hand, a part that has been produced pursuant to an FAA approval, as well as other acceptable manufactured parts, is not necessarily eligible for installation, because it may be defective, lack required maintenance, or have reached a life limit or other limit. The Task Force recognizes that use of the term “approved part” is not entirely consistent with the meaning of approved as defined in 14 CFR Part 1. In Part 1, “approved” means approved by the Administrator (unless another person is specified), and refers to an overt, explicit action of consent. This concept is applied widely throughout the Federal Aviation Regulations. As seen from the definition used in this document, some “approved parts” would necessarily be produced under a certificate issued by the FAA and thus would fit the current regulatory meaning of “approved.”

Other aviation parts, such as standard parts, are not produced under such approvals, nor are parts fabricated as part of a repair process. (The fabrication of parts in the repair process, in accordance with 14 CFR § 43.13(b), is discussed in further detail in Section 6.0 of this Proposed Program Plan.) Such parts may be acceptable to the FAA, but are not “approved” in the current regulatory sense. Furthermore, all aviation parts, regardless of their origin, would have to be maintained according to the regulations, and this too may fall outside the current regulatory concept of “approved.”

²While it may be technically possible to comply with 14 CFR § 43.13(b) without using a part listed in this definition, it is the Task Force’s position that use of such parts should not be standard practice because installers are not usually in a position to determine a part’s conformity to type design. Therefore, acceptability of a part should be determined prior to its installation using the above definition of “approved.” Until there is a determination that a part’s installation would meet the requirements of 14 CFR § 43.13(b), it should not be installed, and it should be reported as a SUP.

Nevertheless, while the limited meaning of the term “approved” is widespread throughout the Federal Aviation Regulations, the broader use of the term “approved part” — although now often misunderstood — is in widespread use among the public, the aviation industry, Congress, law enforcement agencies, the courts, and the FAA itself. The Task Force believes that the concept of “approved parts” can be discussed in a broader sense than the stricter regulatory definition of “approved” to provide the aviation industry and government officials with a common understanding of what “approved parts” are. However, this document uses the terms “approved parts” and “unapproved parts” in quotation marks (except when citing the title of another document) to denote use of the terms in the colloquial, rather than the regulatory, sense.

‘Unapproved Part’

AC 21-29A, *Detecting and Reporting Suspected Unapproved Parts* (July 16, 1992), defines “unapproved part” as “A part, component, or material that has not been manufactured in accordance with the approval procedures in 14 CFR § 21.305 or repaired in accordance with 14 CFR Part 43; that may not conform to an approved type design; or may not conform to established industry or U.S. specifications (standard parts). Such “unapproved parts” may not be installed on a type certificated product.” The AC provides as examples of “unapproved parts” the following:

1. “Counterfeit” or fraudulently marked parts, components, or materials;
2. Parts shipped directly to users by a manufacturer, supplier, or distributor who does not hold, or operate under the authority of, a production approval for the part (e.g., production overruns); and
3. Parts that have been maintained or repaired and returned to service by persons or facilities not authorized under 14 CFR Part 43 or 145.

This definition addresses important issues that also are covered in the Task Force’s proposed definition of “approved part.” The three examples of “unapproved parts” would all fail to meet the criteria of “approved part” as defined by the Task Force. However, the Task Force has chosen a different approach in that it seeks to set forth a list of criteria to help maintenance personnel decide if they have a part that is eligible for installation. Hence, the Task Force proposes a detailed definition of “approved part” as discussed above, and the following definition of “unapproved part:”

A part that does not meet the requirements of an “approved part.”

The Task Force believes that “approved part” and “unapproved part” should be antonyms, with no potential inconsistencies. The definition would be most useful to the aviation community if it is expressed in terms of what is acceptable for installation. Guidance and advisory material can and should

continue to provide examples of scenarios under which parts are not “approved parts.”

It is evident that the concept of “unapproved part” is wide ranging, encompassing everything from parts that are improperly maintained, to parts produced under an FAA approval but shipped without proper authorization, to parts deliberately and criminally misrepresented as “approved parts.” The proper response by government officials, including the FAA and law enforcement authorities, varies according to the kind of “unapproved part” involved. Therefore, it is not useful to discuss “unapproved (or suspected “unapproved) parts” indiscriminately; careful consideration should be given to why a part may be “unapproved,” as this would help dictate the most appropriate response.

FAA investigative and, when warranted, enforcement response to “unapproved parts” cases, would continue to be handled with current mechanisms. That is, cases involving used parts would be assigned to FSDOs, and cases involving new parts and part design and production would be assigned to MIDOs, all for disposition based on existing investigative and enforcement mechanisms, FAA Order 2150.3A, and the proposed additional procedures in this document.

Nevertheless, the proposed expanded concept of “approved parts” and “unapproved parts” did receive strong opposition from one of the Task Force members. The opposition is based on the significant broadening of the population of parts that would be reported and investigated under the SUPs process, with, in the member’s opinion, little, if any, benefit to safety. This member stated that the purpose of the current SUPs program is to identify and take appropriate action against persons who produce, maintain, or alter type certificated products, or parts thereof, without appropriate FAA authority. It is the opinion of this member that this should remain the purpose of the SUPs program, because this is where the greatest potential for safety concern lies.

The member points out that the FAA already requires authorized manufacturers to have a quality program to prevent nonconforming parts from escaping their system. Even the best quality system will occasionally allow a nonconforming part to escape the process and be shipped to a user such as an air carrier or repair station. If the users of these parts have an adequate quality program, they should be performing incoming inspections to ensure that the parts they buy and receive conform to the type design and are in condition for safe operation. Further, the FAA’s continuous surveillance process should be ensuring that these quality programs are in place and working properly.

Under the current system, these nonconforming parts would be returned to the manufacturer through its established customer complaint program, without the need for expending FAA resources. The PAH and the FAA should be monitoring the manufacturer’s customer complaint system as a measure of the quality of the products being shipped. If the established quality systems are not working as intended, and the FAA’s surveillance reveals this, the established

systems should be adjusted. However, as pointed out by the Task Force member with this differing view, under the Task Force’s proposed program, nonconforming parts found at an incoming inspection would be reportable as SUPs (Section 5.1 addresses the Task Force’s proposal for mandatory reporting of SUPs). Once these nonconforming parts are reported as SUPs, this Task Force member believes that a separate mechanism for SUPs investigation and case resolution would trigger a process that duplicates one that is in existence and is working, resulting in an unnecessary expenditure of FAA resources and skewing the database in which SUPs are recorded and monitored, without any added safety benefit.

The Task Force notes the disagreement concerning the definitions of “approved part” and “unapproved part” and with the inclusion of nonconforming parts in the database. However, the Task Force takes a broader view of the purpose of the SUPs program and believes it is intended to identify and eliminate any parts that are not eligible for installation on type-certificated products, and this would include nonconforming new parts that inadvertently pass through PAH’s quality control systems. The Task Force does not anticipate that significant new FAA resources would be expended to address problems for which satisfactory mechanisms already exist.

Standard Part

Currently, 14 CFR Part 21 does not define standard part, but it does list such examples as nuts and bolts. The lack of a definition has caused some confusion in public discussion of SUPs issues, and the Task Force considers it necessary to define this term for purposes of advisory and guidance material and general discussion of SUPs. The issue is under consideration by the ARAC and has been the subject of interim guidance by AIR. The Task Force’s recommended definition takes into account the previous work, but is primarily based on a definition currently contained in FAA Order 8110.42, *Parts Manufacturer Approval Procedures*, August 4, 1995.

The Task Force proposes the following definition of standard part:

A part included in the type design and manufactured in complete compliance with an established U.S. government or industry-accepted specification that includes design, manufacturing, and uniform identification requirements. The specification must include all information necessary to produce and conform the part. The specification must be published so that any person may manufacture the part. Examples include, but are not limited to, National Aerospace Standards (NAS), Army-Navy Aeronautical Standard (AN), Society of Automotive Engineers (SAE), SAE Aerospace Standard (AS), Military Standard (MS), and others.

The Task Force’s proposed definition emphasizes a key aspect of the use of standard parts, which is that they may only be used when the product’s type design calls for use of a standard part. The Task Force’s proposed definition

also differs in one respect from the definition that has been proposed by ARAC. The proposed ARAC definition would permit a holder of an FAA Type Certificate to establish a specification for a standard part. The Task Force is uncomfortable with this provision, and considers that only industry-accepted standards should be included. This would generally mean that the establishment and maintenance of industry standards would be left to recognized standards organizations such as those cited above. A type certificate holder could unilaterally change the standard, whereas a standards organization would be subject to oversight from its broader constituency. Furthermore, the idea of a “standard” established by one company is inconsistent with the FAA’s interpretation of 14 CFR § 21.303(b)(4), as well as with the commonly held understanding of a “standard” as being established by an authority or organization rather than by an individual or single entity.

Counterfeit Part

A key term mentioned in the discussion of “unapproved parts” is “counterfeit part.” This term often has connotations of criminal conduct, an issue much different than parts lacking certain documentation. While neither of the parts in this example are eligible for installation, the appropriate response to the discovery of each is very different. Therefore, when discussing SUPs, it is important to understand the distinction between counterfeit parts and other types of “unapproved parts.” The Task Force’s concept of “counterfeit part” is the following:

A part made or altered so as to imitate or resemble an “approved part” without authority or right, and with the intent to mislead or defraud by passing the imitation as original or genuine.

Counterfeit is a key term used in law enforcement, and specifically connotes deliberate behavior. The Task Force recommends use of this definition in guidance and training material.

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4.0 SUPs Program Organization

Issue: SUPs issues cross traditional organizational boundaries within the FAA, mainly between the Aircraft Certification Service (AIR), which oversees the designing and manufacturing of parts, and the Flight Standards Service (AFS), which oversees the use of those parts in aviation maintenance.

Recommendation: The FAA should take immediate steps to establish a National SUPs Program Office to develop, coordinate, and disseminate SUPs policy, and to provide technical support related to SUPs. This office also would maintain an information management and analysis system for the SUPs program.

Discussion: The current FAA organization is oriented toward regulating: 1) the design and manufacture of aircraft and aircraft parts; and 2) the use of aircraft and aircraft parts, i.e., aircraft operations and maintenance. AIR is assigned duties relating to designing and manufacturing, and AFS is assigned duties relating to operations and maintenance. The two services share SUPs responsibilities. For example, AIR monitors manufacturing facilities that apply for and obtain FAA production approvals. AFS inspectors conduct surveillance and inspections of certificated air carriers, repair stations, and the activities of individual certificated mechanics. AFS inspectors' main concern is the quality of the maintenance; investigating the manufacturing history of parts is not one of their primary considerations. Instead, inspectors tend to concentrate on facilities, process, and records of maintenance activities.

The Task Force analyzed the FAA response to SUPs from an organizational point of view in order to determine whether the current structure is adequate to address SUPs. In considering the current FAA processes to address SUPs, the Task Force concluded that SUPs require a uniform and integrated response mechanism capable of addressing technical issues such as design, manufacture, and maintenance, as well as criminal law issues that require a distinct investigative process and coordination with law enforcement agencies.

As the Task Force began to analyze the SUPs program process and identify changes that would improve that process, it became evident that the underlying organization should also be considered. One option would be to maintain the current organizational structure, based around the SUPs coordinators in the FAA's nine regional offices and four directorates, but increase guidance and training. A second option would be to create a new national office to focus on the SUPs issue and work in conjunction with the Regional/Directorate SUPs Coordinators and with local offices. A third option would be to eliminate the

Regional/Directorate Coordinators, establish the national office, and have all SUPs field activity in FAA local offices.

The Task Force concluded that the second option would be the most appropriate to facilitate the processes needed to address SUPs. This national office, working with the existing regional, directorate, and local offices, would ensure a consistent approach to dealing with SUPs at all levels of the FAA. When this is accomplished, the national office can be eliminated, except for certain functions that are best handled at a national level, such as centralized data collection.

The Task Force chose not to recommend retaining the current system with only the addition of guidance and training, because it deemed that such an option would not sufficiently enhance current processes. The Task Force, however, does agree with the current FAA emphasis on regional/directorate focus and analysis and management of SUPs issues. The Task Force also noted that law enforcement agencies usually prefer to establish contacts for investigative purposes at the field office level, which supports the retention of a regional/directorate and local office structure for SUPs cases. Therefore, the Task Force did not choose to recommend the option of eliminating the regional/directorate SUPs coordination structure. However, improved standardization and integration of policy, training, and technical information is best accomplished at the national level. A centralized program to oversee standardization of SUPs policy, training, and investigative procedures throughout the FAA would result in placing greater emphasis on SUPs reporting, tracking, investigation, and, where warranted, enforcement as integrated parts of FAA inspectors' duties, along with enforcement of other applicable regulations.

The Task Force designed the proposed National SUPs Program Office to help the FAA focus and standardize its policy and enforcement activities in this area (see Figure 4-1 below). The Task Force envisions this Program Office as an interim or transitional measure, recognizing that "interim" could mean a period of years. The purpose of this Program Office would be to promote a cohesive, consistent, aggressive approach to SUPs throughout the FAA, and solidify the FAA's working relationships with law enforcement agencies, including the DOT/OIG. When the Program Office accomplishes its mission of ensuring that thorough training and procedures for SUPs enforcement have been established throughout the FAA, ensuring continued effectiveness of the program at all levels of the FAA, the special Program Office can be disbanded. One of the Program Office's tasks would be to conduct periodic reviews of how well SUPs policy is being implemented throughout the FAA; in essence, monitoring the Program Office's need for its own continued existence. Nevertheless, at least two functions — data and information management, and a centralized point of contact for certain duties within the FAA and externally — may need to be retained at the national level permanently.

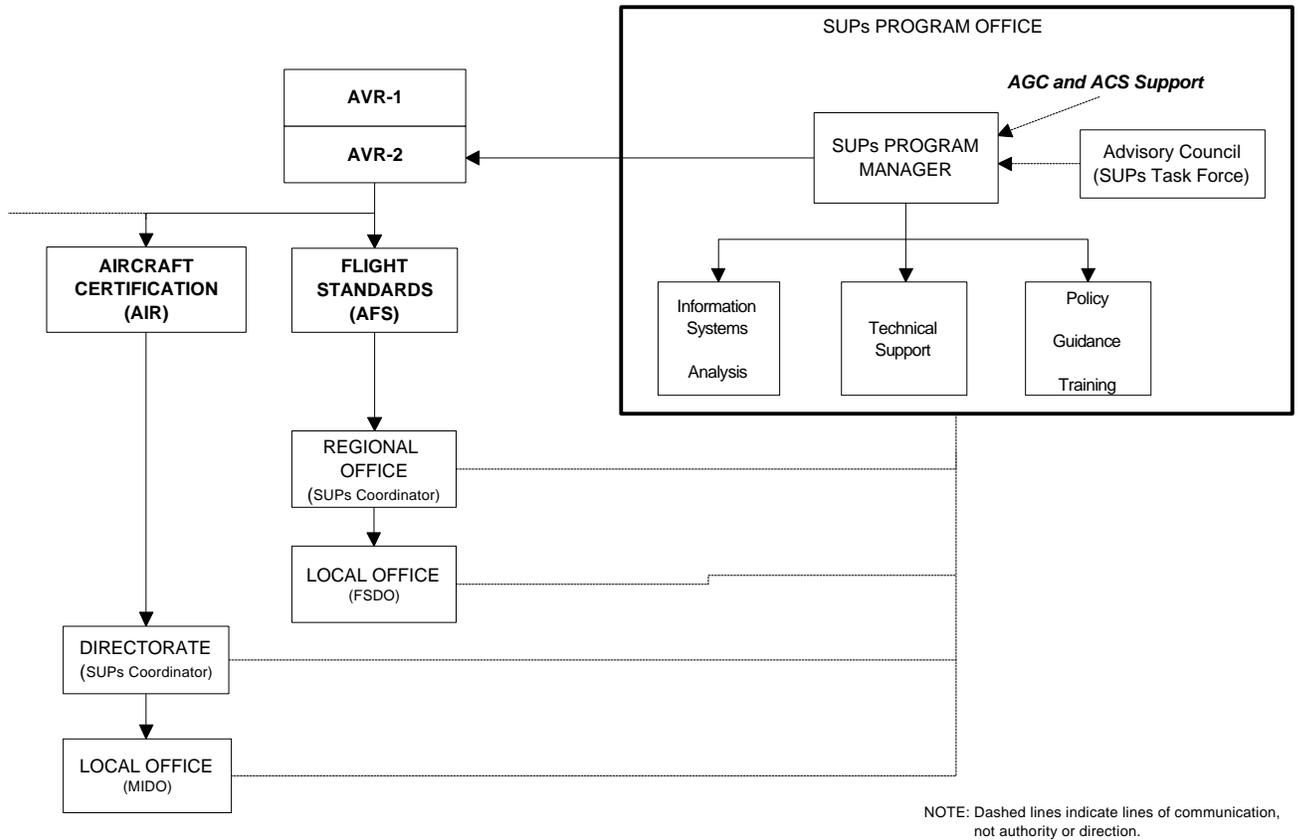


Figure 4-1. SUPs Program Office Organizational Relationships

The SUPs Program Manager would report to the Deputy Associate Administrator for Regulation and Certification (AVR-2). This would provide the Program Office with the required standing to ensure a high degree of visibility within the FAA, and allow the office to work closely with and facilitate coordination of SUPs activities between AIR and AFS. The SUPs Program Manager would essentially function as the FAA’s focal point for data and information, for managing the development of SUPs policy and guidance, and for disseminating the guidance and technical information to the field, industry, and the public. The SUPs office would develop SUPs Program policy and guidance in coordination with AIR and AFS, such as the basic SUPs Order and the SUPs Advisory Circular. It would coordinate all other policy and guidance developed by AIR and AFS that relates to SUPs. The SUPs office would also recommend development of any SUPs policy or guidance, based on the analysis of information collected in the new PRS.

There would be informal lines of communication between the SUPs National Program Office and the four certification directorate and nine regional SUPs coordinators of AIR and AFS, respectively, and with all of the AFS and AIR local offices. The direct line authority to AIR’s directorates and MIDOs, and AFS’s regions, FSDOs, and International Field Offices (IFOs) would not be changed. It would continue to flow through AIR and AFS, as shown in Figure 4-1. The SUPs Program Office would not have line authority over any AIR or AFS personnel, or their work program.

The personnel assigned to the National SUPs Program Office should be multidisciplined, drawn from AFS and AIR, and established in one location in order to coordinate the FAA groups and disciplines involved in SUPs. This location should be at the FAA field offices at Dulles International Airport. The Task Force selected Dulles because the prototype database already is located there, facilities are available for the integrated staffing and operation that the Task Force envisions, and because the location is conducive to recruiting appropriately qualified staff.

The National SUPs Program Office would have the following basic functions and responsibilities:

1. Provide the FAA’s “one voice” and primary point of external contact on SUPs issues.
2. Provide technical support to FAA offices and industry.
3. Develop basic SUPs program policy and guidance material.
4. Develop and maintain a parts reporting information system and analyze data in that system.
5. Provide program oversight, including the review of SUPs-related enforcement actions, program audits, and accountability.

6. Accomplish National SUPs Program Office resource planning.
7. Participate in other activities, such as SUPs-related policy and guidance development and ARAC activities as they relate to SUPs (the National SUPs Program Office would not establish ARAC projects or otherwise control or affect ARAC, other than to provide input as appropriate regarding SUPs issues).
8. Disseminate SUPs information to FAA offices, to other government agencies, and to industry.
9. Identify SUP-related training requirements, oversee training program development, and evaluate training.
10. Report SUPs information to FAA management and other interested parties, such as the aviation industry and Congress.

There would be three major functional areas, discussed here as “organizational elements,” within the National SUPs Program Office to carry out these functions and responsibilities, as discussed below.

4.1 Technical Support Organizational Element

The Technical Support organizational element would provide, for the interim period of the National SUPs Program Office duration, a single source of consistent, informed technical advice and assistance to the FAA workforce, industry, and law enforcement agencies nationwide who encounter or think they have encountered SUPs and need guidance on policy, regulations, or technical information. The Office would be responsible for:

- Providing a single point of contact for FAA, industry, and law enforcement agencies for current guidance on SUPs issues.
- Ensuring that part criticality is determined. This determination would be accomplished by the Aircraft Certification Office (ACO) responsible for the design approval of that part.
- Providing information on policy, and directing case routing and priority, based on given circumstances and applicable regulations.
- Contacting and determining how to work with law enforcement agencies, and gathering evidence.
- Keeping informed of FAA guidance and policy for dissemination to the field.

- Keeping informed regarding relevant law enforcement, military, and industry activity that might affect the SUPs program, including resolving differences between the inspector and industry on technical issues.
- Disseminating policy. Although the Technical Support element would not be responsible for policy development, it would be a central element for responding to questions concerning SUPs policy, and other FAA offices would typically defer to the Technical Support element for this purpose so that policy explanations are consistent.

The office would emphasize easy access, with extended hours (12 hours per day in two overlapping shifts), 5 days per week, and/or paging capability to offer a prompt response to inspectors during their surveillance and inspection activity. As a single-source office with a relatively small staff, the Technical Support organizational element would provide more consistent policy direction and information in the field regarding SUPs. Over the long term, improved training, SUPs policy dissemination, and database support should allow these functions to be handled at the Regional/Directorate level.

The Technical Support element would operate in a fashion similar to the Maintenance Control function of a major airline. That is, a group of technical experts would be readily accessible to answer questions quickly and help field personnel troubleshoot problems. The office would be staffed by six AVR inspectors, three drawn from AIR and three from AFS, and one full-time person assigned from ACS. To emphasize cohesion, the staff, although drawn from AIR, AFS, and ACS, would work in a single office as a unit. Inspectors staffing this office would receive special training from ACS, AGC, the DOT/OIG, and the DCIS, in both interim and long term training, as discussed in Section 9.0 of this Proposed Program Plan.

The Task Force arrived at the proposed staffing level after analyzing the minimum number of inspectors required to provide expertise from the two major services, AFS and AIR, in overlapping shifts serving multiple time zones, and accounting for sick leave and vacations. ACS would not provide such extensive shift coverage, but the Task Force believes that the expertise of one full-time security/law enforcement expert and ready availability of additional support as required would provide a valuable asset to supplement the inspectors' technical expertise. Similarly, the Task Force believes AGC should work closely with the Technical Support element of the National SUPs Program Office, including ready availability for consultation as required. The Task Force considered but decided against recommending that staff from AGC be assigned full-time to the Technical Support element; however, this office (and others, if necessary) may designate specific contacts for Technical Support.

Technical Support resources would include an in-house reference library, access to all relevant FAA databases, and a special telephone line for access from the field and from industry. Access to the same authoritative response would help industry get rapid, consistent guidance and would also prevent the practice of “shopping” around FAA offices for the most favorable answer.

4.2 Data and Analysis Organizational Element

The National Program Office Data and Analysis organizational element would perform the critical function of developing and maintaining the FAA PRS database, which is discussed in greater detail in Section 7.0 of this Program Plan. The Data and Analysis organizational element must study the FAA prototype SUPs database and build on that experience. A requirements analysis would help this organizational element build a more effective database that would function foremost as a tool for inspectors in their research for investigations.

The database also would be used for management analysis to monitor the size and characteristics of the “unapproved parts” problem, to identify trends, to quantify case processing time frames, and to measure the effectiveness of the FAA’s SUPs program. Outside law enforcement agencies would have access to the database, and should be consulted during the requirements analysis.

Management analysis would include a review of FAA enforcement actions for consistency in final actions and to report back to the field what the final actions are. The Data and Analysis element also would conduct audits to determine if the database is current and accurate, training is effective, guidance is adequate, and the SUPs program is standardized.

The Task Force proposes a staff of two persons for the Data and Analysis organizational element. The personnel selected for this function would be required to have both a knowledge of aviation practices and skills in database management and use of analytical tools.

4.3 Policy, Guidance, and Training Organizational Element

The Policy, Guidance, and Training organizational element would be a focal point for FAA policy on SUPs, as expressed in FAA orders, and guidance, advisory, and training material. This organizational element would be responsible for developing the SUPs Order and Advisory Circular and for coordinating these with AIR, AFS, and other appropriate FAA organizations.

It would also coordinate other policy and guidance material that impacts SUPs. It would be responsible for understanding other policy as developed and issued by AIR and/or AFS that relates to or impacts SUPs, and responding to questions about the policy from FAA personnel, industry, or other government agencies in support of the SUPs program. This organizational element, working closely with the Data and Analysis organizational element, would also identify any potential needs for new SUPs policy or problems with current policy. Although the workload is still difficult to predict, the Task Force foresees a minimum staffing level of two persons.

The Policy, Guidance, and Training organizational element would be responsible for identifying SUPs training needs and overseeing the training program development. It would also evaluate the effectiveness of SUPs training by working closely with the Data and Analysis element.

The Policy element also would identify the need for regulatory changes, and be the focal point for the National SUPs Program Office comments to other FAA documents and activity related to SUPs.

4.4 National SUPs Program Office Staffing

The tentative staffing level proposed here by the Task Force, in summary, is 13 full-time staff members: 1 manager, 1 administrative person, 7 persons in Technical Support, 2 in Data and Analysis, and 2 in Policy, Guidance, and Training. The Task Force believes that the FAA should be prepared to be flexible regarding the proposed staffing levels, particularly the Technical Support and Data and Analysis functions, and to consider ways to use staff from other FAA organizations for specific problem resolution or to temporarily supplement the National SUPs Program Office resources. There currently are no data available to predict the workload. However, based on the experience of 1991–92, when SUPs case reports increased significantly after the FAA implemented another series of SUPs initiatives including publication of AC 21-29, *Reporting Suspected Unapproved Parts*, the Task Force expects that SUPs-related queries and cases probably would increase in response to the additional focus and emphasis from FAA headquarters.

Furthermore, the Task Force proposal would broaden the traditional concept of “unapproved parts” to include parts that have been improperly maintained or that have manufacturing defects, and this too would increase the number of SUPs reports. Parts such as maintenance errors and defective new parts would be included because, as discussed in Section 6.1, they are not eligible for installation on type certificated products. However, the PRS database would clearly distinguish the circumstances of these parts, rather than applying just the broad term “unapproved part,” which would not contribute to identifying and correcting the underlying problem.

4.5 Regional/Directorate SUPs Coordinators and Local Offices

The FAA currently has SUPs coordinators in each of the nine FAA geographical flight standards regions and four certification directorates. The Task Force discussed the role of the Regional/Directorate SUPs Coordinator within the context of the proposed National SUPs Program Office. The Task Force envisions that the National SUPs Program Office would not have direct line authority over the Regional/Directorate Coordinator or inspectors within AFS or AIR. The post of Regional/Directorate Coordinator would not change structurally, although it would be necessary to coordinate it with the National SUPs Program Office. The Region/Directorate Coordinator would not necessarily be a full-time position; workload would determine the full-time equivalent level of the coordinator position. It may be a shared responsibility or a part-time activity. The coordinator would provide the links between inspectors and AGC and ACS.

Under the proposed system, including the National SUPs Program Office, the Regional/Directorate SUPs Coordinators roles would include:

- Liaison with the Assistant Chief Counsel for the region
- Liaison with the Regional Civil Aviation Security Office
- Analysis of Regional/Directorate SUPs data and development of reports
- Coordination with the field on assignment or reassignment of cases
- Support of the implementation of SUPs policy.

Local office inspector and manager roles would not significantly be affected by the proposed organizational plan. One new requirement would be that the office manager appoint a contact for external communications, including law enforcement agencies. The point of contact would facilitate communications and cooperation with outside agencies, particularly law enforcement agencies. Law enforcement agencies envision that this local point of contact would consist of an inspector interested in assisting in those agencies' SUPs investigations — which would require additional skills and approaches to normal surveillance and inspection skills — who would tend to work with them on a repeated basis. However, the Task Force expects such relationships to develop on a case-by-case basis, with the FAA-designated point of contact, be it the office manager or the manager's designee, facilitating such cooperation with law enforcement agencies. SUPs investigations based on cases initiated through the FAA would continue to be assigned similar to the way in which they currently are. Any local inspector could perform SUPs investigations, and inspectors' duties would include accomplishing SUPs surveillance; initiating

SUPs reports as SUPs are found; and alerting the Regional/Directorate SUPs Coordinator of all significant developments in an investigation, until the PRS database performs many of these alerting functions automatically.³

³In addition to the reporting process established within the FAA, industry reporting of SUPs would continue to be a key source of SUPs case reports.

5.0 Regulatory Issues

This section addresses principal regulatory issues identified by the Task Force in its deliberations and in discussions with representatives of law enforcement agencies.

5.1 Reporting SUPs

Issue: Because there is currently no requirement that SUPs be reported to the FAA, persons who discover SUPs may not report them.

Recommendation: The Federal Aviation Regulations should be amended to require any person (including organizations and individuals such as mechanics) who discovers suspected or known “unapproved parts” to report such parts to the FAA. An exception to this requirement should be made for properly documented parts that lack required maintenance but are controlled in such a way as to ensure that the necessary maintenance or other appropriate steps are accomplished before the parts are placed in service.

Discussion: The Task Force noted that, based on members’ experience, part of the difficulty of determining the scope of the “unapproved parts” problem is that such parts may go unreported if they are discovered by persons in the industry rather than by FAA personnel. Recipients of “unapproved parts” may prefer to return the items for refunds rather than report the parts and possibly face the economic loss associated with giving them to the FAA or to law enforcement agencies, or having them seized as evidence in criminal investigations. These recipients either prefer to exchange the parts, get refunds, or avoid the cost and delays they may incur if they do report the parts.

The Task Force determined that the safety importance of eliminating “unapproved parts” from the inventory warrants a mandatory reporting requirement, similar to that for service difficulty reports. It is imperative that certificated air agencies with potentially important knowledge of unapproved and potentially unsafe aircraft parts share that information with the FAA and with industry.

The Task Force recognizes, however, that its proposed definition of “unapproved parts” is fairly broad and includes parts that would not present any hazard to the industry. For example, parts that are overdue for maintenance and are on a repair station’s shelf would qualify as “unapproved parts” under the Task Force’s proposed definition. Yet if such parts were

properly documented and were certain to be appropriately maintained prior to being approved for use or return to service, they clearly present no hazard, either within that repair station or in the industry at large. Mandating reporting of such parts would clog the system, providing no safety benefit.

On the other hand, if a repair station's receiving inspection detected that a new part produced under an FAA-approved system had somehow escaped the quality control system and was defective, that would be a matter of potential interest to others in the industry. These parts might be representative of a group of parts that inadvertently passed through a quality control system and might be circulating in the industry. Even though such parts have been produced under an approved system, they should be captured in the PRS database, just as certain problems found during maintenance are currently reported. In addition, such information should be disseminated expeditiously so that other repair stations are alert for other potentially defective parts.

There are parts that may meet the definition of "unapproved part" that would not require reporting. Parts contained within the quality system (i.e., did not "escape") of the certificate holder would not be reported as SUPs. Parts that meet the definition of FAA Order 2150.3A, Appendix 1 (Compliance/Enforcement Bulletin 90-6, Reporting and correction policy and implementing guidance) would not be reported as SUPs by the certificate holder submitting the voluntary disclosure. However, if some of the parts subject to the voluntary disclosure are identified by another person (outside the certificate holder's organization) and reported as SUPs, they would be dispositioned in the PRS as a "Non-SUPs Issue" upon confirmation of their status as part of the voluntary disclosure population.

The reporting requirement would not affect the investigative process. Case assignment would continue to be made through the National SUPs Program Office to the appropriate Region/FSDO, if the part were a used part, or to the appropriate Directorate/MIDO, if a newly manufactured part were involved. It cannot be assumed that manufacturers know the whereabouts of the parts they produce, because parts are often sold through third parties and change hands through various mechanisms in the industry. Thus, no new investigation or enforcement mechanisms would be created to address the SUPs cases. The reporting requirement would simply ensure that more cases could be investigated, as warranted. Further, the requirement should be structured and followed in a reasonable manner. For example, a mechanic who is unsure as to whether a part should be reported as a SUP should take reasonable steps, such as consulting with a supervisor, to verify that a part is suspect before reporting it. A new part that is defective, but caught by the PAH's or certificate holder's quality control system before being released, would not need to be reported.

The Task Force recognizes that some segments of the industry feel that there may be a potential adverse impact in having their products associated with "unapproved parts." However, the proposed Part Reporting System database would avoid indiscriminately grouping parts produced by PAHs but that may

have inadvertently been released with defects, for example, with parts that are unapproved because they were deliberately misrepresented. Such indiscriminate grouping would serve no safety purpose. But monitoring and tracking all potentially “unapproved parts” that may pose potential safety problems in the industry would be a safety benefit. The recommendation is thus worded to seek the broadest possible coverage, external to the FAA as well as internal.

The Task Force has taken a completely technical approach to this issue, viewing “unapproved parts” as parts that, based on a set of technical criteria, should not be installed on type certificated aeronautical products because of regulatory and potential safety problems. Deliberate falsification of records, counterfeiting of parts, and other fraudulent activities may be involved and, understandably, legitimate companies do not want to have their names associated with such behavior. However, the other element of the “unapproved parts” picture is improper maintenance, inadvertent slips in quality control, or other mistakes that also result in potentially unsafe aeronautical parts. The Task Force is concerned about the safety aspect of “unapproved parts,” and therefore considers the current and proposed PRS database essentially a technical database of service to the FAA and industry that also serves law enforcement agencies, because a portion of the SUPs cases do entail criminal activities. The reporting requirement would not affect investigative or enforcement procedures, other than to provide inspectors and the FAA with more information of potential use in the process. This could permit better tracking of SUPs issues that could help the FAA distribute timely alerts or ADs.

5.2 Records

Issue: Regulations concerning records associated with aircraft, aircraft engines, propellers, components, parts, or materials may require updating or clarification to help determine the items’ status as “approved parts” or “unapproved parts.”

Recommendation: The FAA should expedite implementation of, and then vigorously enforce:

- The draft regulatory project that would prohibit any person from making fraudulent or intentionally false statements involving a record that represents the acceptability of any aircraft product, part, or material for use in civil aircraft; and
- The draft regulation that would address maintenance recordkeeping requirements.

Discussion: The FAA has two ongoing rulemaking initiatives that would address many concerns regarding documentation of the acceptability of parts for use in aviation. These initiatives are:

- A Notice of Proposed Rulemaking (NPRM), under development by the FAA ARAC, would clarify records that should be maintained and transferred in connection with the manufacture and maintenance of aeronautical products. A key change under review in this proposed regulation would be to require transfer of proper records by both the party transferring a part and the party receiving the part. This would make it very difficult for any person, including persons not certificated by the FAA, such as distributors, to sell parts with inadequate documentation. That is because end-users, who are certificated and regulated by the FAA, would not be permitted to accept such parts for use in aviation without proper documentation.
- A rulemaking under consideration by the FAA would subject to civil penalties any person who misrepresents the acceptability of any aircraft product, part, or material for use in civil aircraft through fraudulent or intentionally false statement in any record used to represent the acceptability of any aircraft product, part, or material for use in civil aircraft. Currently, 14 CFR §§ 21.2 and 43.12 address fraudulent or intentionally false statements and records, specifically with regard to those certification and maintenance regulations. FAA regulatory authority currently focuses on producers of parts and users of parts because they are the key players in aviation safety. The new regulation, if adopted, would cover all persons, including persons not certificated by the FAA, such as distributors and brokers of aircraft parts.

The two rulemaking initiatives under review would enhance the system in terms of more than just distributors and brokers, because both initiatives would apply to virtually all persons that handle aeronautical parts.

6.0 Technical Issues

6.1 Responsibility for Parts Installation

Issue: Uncertainty may exist within segments of the aviation industry regarding the responsibilities of mechanics, repair stations, and other persons performing maintenance in accordance with 14 CFR Part 43, Maintenance, Preventive Maintenance, Rebuilding, and Alteration. This uncertainty may involve the quality of parts installed or produced for installation in connection with work performed, and the limitations on maintenance personnel’s privilege of fabrication of certain parts in connection with repair or alterations on type certificated products.

Recommendation: Issue an AC or revise an existing AC explaining how mechanics, airlines, and repair stations may comply with the requirements of 14 CFR § 43.13(b). Also, consider a legal interpretation or, if necessary, additional rulemaking to further clarify the FAA’s belief that the person responsible for installing a part must be able to show how that person determined that the part was eligible for installation and that it was the correct part for that application.

Discussion: Federal Aviation Regulations closely regulate the production of aeronautical parts and their use. However, the regulations do not explicitly require maintenance personnel to ensure that the parts they install meet the specific criteria included in the concept of “approved part” to be eligible for use on type certificated products. In certain situations, maintenance personnel may fabricate parts required for the performance of their work. However, 14 CFR § 43.13(b) requires that, “Each person maintaining or altering, or performing preventive maintenance, shall do that work in such a manner and use materials of such a quality, that the condition of the aircraft, airframe, aircraft engine, propeller, or appliance worked on will be at least equal to its original or properly altered condition (with regard to aerodynamic function, structural strength, resistance to vibration and deterioration, and other qualities affecting airworthiness).” This regulation assigns maintenance personnel with the responsibility of ensuring the quality and acceptability of the parts they install, and the FAA expects these personnel to be able to demonstrate their compliance with the regulation.

Maintenance personnel may comply with § 43.13(b) by using “approved parts.” Maintenance personnel may also comply with the regulation if they fabricate and install certain types of parts, as long as production and installation of these parts is incidental to the maintenance at hand and the product worked on is at least equal to its original or properly altered condition. The regulation is intended to permit mechanics, repair stations, or other organizations, such as air carriers, performing preventive maintenance, maintenance, or alteration, sufficient flexibility to perform their work. (Section 6.2 contains further discussion of this issue.)

The FAA expects the mechanic or organization performing the maintenance to be able to demonstrate compliance with these requirements. The Task Force believes that it would be appropriate for the FAA to issue an AC setting forth its expectations of how a mechanic would comply with 14 CFR § 43.13. Such compliance can be demonstrated through maintenance records, parts documentation, appropriate tests, or the mechanic’s or maintenance organization’s records of work performed.

If, after a reasonable period of time, the FAA finds that mechanics are not following the guidelines of the recommended AC, the FAA may wish to consider a legal interpretation to clarify the requirements under the regulations for persons performing work in accordance with 14 CFR Part 43 to demonstrate compliance with the requirements of that Part. A change to the regulations should not be necessary, but if inspectors, based upon normal surveillance and inspection and their increased emphasis on SUPs, find that compliance with § 43.13(b) is lacking, a regulatory amendment may be in order. Such an amendment might, for example, more directly address the types of parts that should be used by mechanics or organizations, such as airlines and repair stations, that perform maintenance under 14 CFR Part 43.

One form of parts documentation that should be addressed in the AC is Certificates of Conformance (COCs), sometimes referred to as certifications. COCs are commonly used throughout the industry, but are frequently accepted at face value, even if they provide insufficient information. When properly executed, COCs provide a reasonable degree of assurance as to the accuracy of the data associated with the parts. Unfortunately, the Task Force believes there may be many COCs that are not properly executed. These COCs may pose a serious threat to the system when accepted by certificate holders without knowledge of the COC’s potential accuracy.

The certificate holder must have knowledge of the system that generates the COC to the extent that the certificate holder is convinced that the creator of the COC is capable of assuring the data presented on the COC is complete and accurate. Methods to reach this required level of knowledge include: 1) on-site visit and assessment of the supplier’s quality system; 2) independent verification of COC data and; 3) periodically requiring the issuer of the COC to provide data to support the accuracy of the COC.

6.2 Limitations on Parts Fabrication for Repairs

Issue: Parts are being produced for use during repairs; however, parts in addition to those required for such repairs are being produced for sale without proper production approval.

Recommendation: The FAA should issue or revise advisory material to clarify for industry the conditions under which maintenance personnel may fabricate parts for repairs or alterations, and the conditions in which they must apply for a PMA for parts production. If a person produces parts for sale without a required PMA, the FAA should take appropriate enforcement action.

Discussion: Maintenance personnel are permitted, as discussed above, to fabricate certain types of parts in connection with their work. However, 14 CFR § 43.13(b) is not intended to permit production of parts for sale in circumvention of the requirements of 14 CFR Part 21, Certification Procedures for Products and Parts.

This has been clarified in FAA Order 8000.50, *Repair Station Production of Replacement or Modification Parts* (1981), which addresses part manufacture during alteration (not repair) under a Supplemental Type Certificate (STC) or field approval. The Order states that replacement or modification parts may be produced only for installation on aircraft either brought to the repair station for the work or at other locations under the repair station's direct authority, unless the repair station obtains a PMA that meets the provisions of 14 CFR § 21.303. If the repair station obtains the PMA, the parts may be installed by other persons.

The Task Force believes that these provisions for fabricating parts for maintenance activities are being misused in the industry as a basis for fabrication of parts for sale, rather than for use on an aircraft, engine, or propeller undergoing repair or alteration. Advisory material for maintenance personnel, such as AC 43.13-1A, *Acceptable Methods, Techniques, and Practices – Aircraft Inspection and Repair*, and AC 43.13-2A, *Acceptable Methods, Techniques, and Practices – Aircraft Alterations*, should be reviewed, and guidance should be clarified to emphasize that parts may only be manufactured for use during maintenance or alteration of products, and that the production of parts for subsequent sale is not permitted without appropriate production approvals. Training for FAA personnel and the advisory material for the industry about the fabrication of parts during repair should be improved.

6.3 Parts Distributors and Brokers

Issue: The FAA does not certificate or monitor distributors and brokers of aeronautical parts. The DOT/OIG has advocated, and Congress has requested that the FAA explore, regulation of distributors and brokers.

Recommendation: The FAA should continue its support for the development of an effective Aerospace Industry Regulation of Distributors (AIR-DU) program of voluntary accreditation for distributors.

Discussion: During Senate hearings on the DOT fiscal year 1994 appropriation, the FAA was asked to report on the potential of regulating and licensing brokers, distributors, and other parties engaged in the sale of parts for aeronautical products. The House of Representatives also has discussed the potential need for licensing and regulating distributors and brokers as a result of concern expressed by the DOT/OIG regarding “unscrupulous brokers who introduce many of the unapproved or bogus parts into the market” (House Report 103-190, July 27, 1993). The issue also was discussed during the Senate Governmental Affairs Committee hearing on unapproved airplane parts, held by Senator Cohen on May 24, 1995.

The DOT/OIG recommended in 1993 that FAA regulatory authority be expanded to include surveillance of aircraft parts distributors or brokers, and to require distributors or brokers to maintain documentation for the traceability of all parts sold or traded, and provide to purchasers documentation supporting the FAA approval status and manufacturing origin of all such aircraft parts. (Draft Report on *Audit of the Certification and Surveillance of Domestic and Foreign Repair Stations*, December 17, 1993, DOT/OIG. Final Report No. R4-FA-4-009, March 7, 1994.)

On June 10, 1994, the Air Transport Association of America (ATA) submitted a petition for rulemaking to the FAA, in which the ATA requests that the FAA establish Federal Aviation Regulations requiring quality inspection systems for all aircraft parts distributors, suppliers, sellers, brokers, and surplus dealers. ATA specified that the regulation should pertain to activities related to commercial aircraft only.

The FAA investigated the issue and concluded that regulating and licensing those entities would not enhance safety because a distributor willing to risk penalties to sell counterfeit or fraudulently documented parts knowingly, in violation of criminal fraud statutes, was unlikely to be dissuaded by administrative FAA licensing requirements. The FAA was concerned that devoting significant resources to regulating a large, new segment of the industry without discernible safety benefits might detract from other priority safety programs. The FAA has recognized the role that distributors and brokers play in providing parts, and supports initiatives to enhance the quality of their participation in the system. The FAA supports the development of an industry-

run, voluntary distributor/dealer accreditation program. Based on work on the program by the AIR-DU Task Force, the FAA made available for public comment, on July 7, 1995, AC No. 20-AIR-DU, a proposed AC on the Voluntary Industry Distributor Dealer Accreditation Program. The FAA also is reviewing a possible new regulation that would prohibit any person from falsely representing the status of an aviation part, as well as possible additional documentation requirements for parts.

The Task Force re-examined the proposal to regulate distributors and brokers of aviation parts and materials. However, the Task Force had two major concerns about this proposal. First, the Task Force did not want the FAA to take any action that would imply that users of parts — i.e., owner/operators such as airlines, repair stations, and mechanics — would have less responsibility for ensuring that parts meet all requirements before installing them.

Second, the Task Force believes that regulating distributors is not practical because of the potential size of the group, estimated at several thousand entities, and the FAA's limited resources to conduct oversight. Some parts can have both aviation and nonaviation use, and the distributor may not know the intended use. Also, the Task Force noted that distributors of standard and commercial parts are so numerous that they could not realistically be regulated.

The Task Force considered the option of regulating only distributors of a limited class of aviation part. This limited class would include parts that are typically used in critical applications. This would reduce the scope of the oversight to a more manageable level; however, after further review, it was decided that most distributors sell a wide range of parts. Consequently, the surveillance problem would not be substantially simplified.

Another option considered was the addition of a requirement for a manufacturer to conduct surveillance of any organization that the manufacturer has designated as an authorized distributor of its parts. After discussion, it was decided that this would cover only a small part of the distributor population, because relatively few distributors are designated by manufacturers as "authorized." Furthermore, there would be a problem if a manufacturer ceased operations, or in the case of an aircraft no longer in production, did not have the information or personnel with the knowledge to conduct such surveillance.

The Task Force believes that while directly certificating and regulating distributors and brokers of aeronautical parts is impractical, they would be effectively regulated, in terms of SUPs issues and investigations, by the two rulemaking initiatives already underway, as discussed in Section 5.2. The maintenance recordkeeping regulatory proposal would essentially force purchasers of aeronautical parts to demand proper documentation, as would be outlined in the regulation. The regulation to prohibit any person from making fraudulent or deliberately misleading statements regarding aeronautical parts

and materials would apply to certificated and noncertificated persons alike, thus facilitating SUPs investigations and enforcement.

Even without directly regulating them, the FAA does have some avenues that it can pursue if it finds an “unapproved parts” problem in connection with distributors or brokers. By issuing an administrative subpoena in the context of an FAA formal fact-finding investigation (14 CFR § 13.111), the Presiding Officer may order the production of physical evidence. Under 14 CFR § 13.20, the Administrator can issue a cease and desist order. The FAA can seek a Federal District Court order enjoining the sale of “unapproved parts.” Although the FAA lacks statutory authority to summarily seize “unapproved parts,” the FAA does not need to certificate and regulate distributors and brokers to have some control over their actions.

In addition, the AIR-DU distributor/dealer voluntary accreditation program, if it is appropriately implemented, would assist the aviation industry in identifying distributors with adequate quality control systems and those that pay careful attention to required documentation. The Task Force endorses the concept of this project, as outlined in a draft AC issued by the FAA for public comment, because it would provide distributors with a strong incentive to establish and maintain quality control systems. It also contains an incentive to parts purchasers to use accredited distributors. In the event that a purchaser’s use of a part resulted in an incident of noncompliance with the regulations, the FAA might consider the purchaser’s use of accredited distributors as a mitigating factor during any enforcement action, if that purchaser also has procedures for routinely reporting any problems with such distributors.

Nevertheless, as would be the case with regulating distributors, the Task Force believes that the accreditation program should not be seen as relieving users of aviation parts and materials from their responsibilities for ensuring that such items meet applicable quality and documentation requirements.

6.4 SUPs Investigations and Penalties

Investigation Process

Issue: FAA procedures, reflected in training and guidance, should specifically support an Aviation Safety Inspector’s investigation of suspected “unapproved parts” cases and the discovery of such cases in the course of routine surveillance and inspection duties. This is particularly true when criminal activities are involved.

Recommendation: FAA procedures and related guidance and training should be upgraded to emphasize the importance of thorough SUPs investigations, with attention to the potential scope of the problem, collection of evidence, indicators of fraud or other criminal activity, and adequate documentation. Investigative procedures followed by FAA inspectors should be revised to ensure that all necessary steps are taken to address SUPs on a system-wide basis, with proper coordination between local, Regional/Directorate, and national offices, as well as with the DOT/OIG and other law enforcement authorities, if appropriate.

Discussion: FAA inspectors' duties include routine surveillance and inspection of entities certificated by the FAA for compliance with regulations. Although not typically a part of surveillance, inspecting for deliberately hidden violations of the regulations or statutes should not be overlooked. Inspectors also should have the guidance and training in procedures to thoroughly investigate a SUP once it is initially identified.

The Task Force recognizes that procedures should be established and inspectors' training and guidance broadened to enhance inspectors' ability to look beyond traditional surveillance and inspection checklist items such as quality of processes, equipment, facilities, recordkeeping, training, and certification of personnel. Guidance and procedures should help inspectors focus and investigate to determine the extent of the problem. In a related issue, discussed above in Section 6.3, there is some confusion over the jurisdiction and authority of an FAA inspector when a nonregulated person, such as a distributor or broker, appears to be the source or intermediary of a SUP. (Other noncertificate holders such as persons producing parts in violation of 14 CFR § 21.303 clearly are covered by the regulation.) Finally, procedures regarding FAA inspectors' contacts with law enforcement agencies require clarification and streamlining to ensure that FAA technical expertise and information are readily available for prosecution of criminal cases, and that law enforcement agencies appropriately recognize the FAA safety responsibilities.

The Task Force sought to identify issues unique to SUPs investigations and thereby develop SUPs investigative procedures that would aid inspectors' investigations as well as help the FAA work more cooperatively with law enforcement agencies. A more detailed discussion of this analysis is contained in Appendix D of this Program Plan. The discussion is not intended to be a step-by-step guide to a complete SUPs investigation, but a description of considerations in addition to a non-SUPs enforcement investigation that future guidance and training should address. Guidance on these SUPs-unique investigative steps and considerations should be integrated into existing Aviation Safety Inspector (ASI) guidance material, as well as presented in special guidance documents and, especially, training. More detailed information about the presentation of this SUPs-specific material is contained in Section 9.0 of this Program Plan entitled *Training*.

The Task Force discussed current policy regarding maximum allowable time limits for responding to SUPs reports. Once detailed SUPs investigation procedures are refined or developed, the Task Force believes suspense times also should be reviewed.

One criticism of the current FAA SUPs investigative techniques has been that inspectors may not always look beyond the immediate situation. That is, some inspectors may investigate only within the limits of the information in the initial SUPs report. The Task Force believes that inspectors should receive additional guidance and training on the need to be aware of the potential size and scope of a SUPs case, beyond what is immediately obvious. For example, if a part is found at one facility, the inspector may need to look for the same part at other facilities, or check to see if the organization involved has other parts that may also be SUPs. Such measures may help the inspector assess the potential scope of the SUPs case and the potential safety impact.

Seizure of Parts

Issue: The FAA does not have clear authority to seize and destroy parts that are being misrepresented as “approved parts” when they do not conform to an approved type design or do not meet other requirements.

Recommendation: The FAA should encourage legislative action to obtain authority to seize and destroy counterfeit parts, apart from any criminal proceedings.

Discussion: Absent a criminal investigation, the FAA has limited power to prevent the entry into the aviation system of counterfeit parts immediately upon their discovery. By contrast, the FAA has been granted statutory authority to summarily seize aircraft involved in a violation for which a civil penalty may be imposed. Thus far, all confiscations of parts have been carried out by the FBI. However, if the FBI and Department of Justice chose not to participate in a SUPs investigation, the FAA would not be able to avail itself of the confiscation powers of the FBI and the Department of Justice.

As examples, the USCS and the Food and Drug Administration have the statutory authority to seize and destroy, through judicial proceedings, counterfeit or misbranded items that they discover, before those items proceed further in the stream of commerce. A similar mechanism is desirable to ensure aviation safety when counterfeit parts, intended for aviation use, are discovered.

Civil Penalties

Issue: Current maximum civil penalties authorized by law for violations of the Federal Aviation Regulations are insufficient to dissuade some persons from selling or using “unapproved parts.”

Recommendation: The FAA should encourage legislative action to increase the maximum civil penalty for persons other than air carriers, to which the higher maximums already apply, to \$10,000 per violation.

Discussion: As noted in FAA Order 2150.3A, *Compliance and Enforcement Program*, Appendix 4, the maximum civil penalty for violations committed by air carriers was increased by law from \$1,000 to \$10,000 per violation on December 30, 1987. However, maximum civil penalties for other types of entities, such as mechanics, agencies, noncertificated persons, repair stations, and others, remain at \$1,000 per violation.

The Task Force believes that current civil penalties available in connection with SUPs-related enforcement actions are insufficient to deter certain persons from selling or using “unapproved parts,” including deliberately misrepresenting the acceptability of those parts for use on aircraft, aircraft engines, or propellers. The Task Force concluded that an increase in maximum allowable civil penalties would serve as a further deterrent to “unapproved parts.” The Task Force believes that this should also be increased to \$10,000.

6.5 Instructions for Continued Airworthiness

Issue: One of the factors that contributes to SUPs that are not maintained in accordance with 14 CFR Part 43 is the lack of Instructions for Continued Airworthiness (IFCA), as required by certification regulations. Although there are existing requirements for IFCA, the Task Force does not believe the industry always complies with them.

Recommendation: The FAA should review the application of and enforce requirements for inclusion of IFCA in type certification regulations. The FAA should revise advisory material to clarify that 14 CFR §§ 21.303(d) and 21.50(b) require holders of PMAs to furnish IFCA.

Discussion: Type Certificate holders are required by 14 CFR § 21.50 to provide IFCA. Some type certificated products have entered service without such IFCA being available to the operator. Furthermore, replacement TSO or PMA parts often do not have approved IFCA. Many manufacturer’s maintenance manual instructions for continued airworthiness apply only to those parts installed as original equipment. Moreover, some manufacturers have included in their manuals language that states the IFCA provided by the manufacturer only apply to their products, which results in a lack of IFCA for

like products produced under a PMA. The lack of such instructions may result in the absence of a program to ensure continued airworthiness. The FAA currently has a team working on the issue of IFCA.

It is important for the appropriate FAA offices to ensure that complete IFCA are published in those manuals referenced in the applicable appendixes of the certification regulations. Complying with such instructions enhances detection of parts that do not perform as intended, whether or not they were originally produced under an approved manufacturing process. The Task Force believes that the lack of IFCA could aggravate the “unapproved parts” problem and is basically an issue of the industry not meeting the intent of the current regulations. The Task Force also believes that 14 CFR Part 21 does require PMA holders to include IFCA in their manuals. That is because 14 CFR § 21.50(b) requires that the holder of a design approval, including either the type certificate or supplemental type certificate for an aircraft, aircraft engine, or propeller, must furnish IFCA to the owner. The Task Force does not believe this regulation was intended to be limited to, but rather should include, holders of type certificates or supplemental type certificate approvals. Section 21.303(d) indicates that a PMA is also an approved design, and therefore holders of PMAs should include IFCA in their manuals. Advisory material should be revised to clarify this.

6.6 Use of Joint Aviation Authorities (JAA) Form 1 and FAA Form 8130-3

Issue: JAA Form 1 is considered more limited than FAA Form 8130-3 (Airworthiness Approval Tag) because it does not provide complete information about a part’s approval for installation (i.e., that it is both an approved part and an airworthy part). Specifically, Form 1 does not carry the 14 CFR § 43.9 approval for return-to-service information required by the FAA.

Recommendation: The Task Force supports efforts to develop harmonized forms and recommends that AVR instruct FAA members of the FAA-JAA Working Group to seek to have the harmonized JAA Form 1 the same as the FAA Form 8130-3.

Discussion: The FAA and the JAA have a number of programs underway to harmonize the Federal Aviation Regulations and the Joint Aviation Requirements. One of these initiatives relates to maintenance requirements and records. Agreement has been reached about the need for a standard form (or tag) that provides the status of a part. The JAA Form 1 is designed for that purpose. The FAA has developed a revised Form 8130-3 for that purpose.

The harmonization work continues through a special Working Group that includes FAA and JAA personnel. This Working Group should ensure that, at

the very least, procedures are developed to provide for an appropriate return-to-service document attached to the part's documentation, even if this requires attaching an additional document to the JAA Form 1. (If the JAA Form 1 is modified to include all the information on the revised FAA Form 8130-3, this would not be necessary.) The Task Force believes that the revised Form 8130-3 is complete and is the preferred method for documenting the status of a part.

6.7 Required Documentation

Issue: In the event that a part lacks complete documentation (which might include a data plate), what does it take to determine the part to be “approved?” Existing or draft guidance material that addresses this issue is not adequate.

Recommendation: The Task Force endorses the objectives and concepts embodied in the draft AC that address methods for determining the acceptability of parts that have insufficient documentation (AC 20.XX, *Determining Disposition of Undocumented Parts*); however, it believes that the definition of Group A parts could be problematic. Consequently, the FAA Working Group developing this AC should reconsider its method for grouping parts.

Discussion: Currently, there are no recognized provisions for evaluating and approving for return to service aircraft parts that have become separated from documentation that attests to their acceptability. The required documentation may consist of data plates that have become detached from components, or could be as extensive as aircraft or engine logbooks that have been lost or destroyed. Certain types of parts may be particularly susceptible to missing documentation, and, under certain circumstances, vendors may attempt to supply sketchy, insufficient, or misleading documentation to facilitate the sale of such parts. Just as there are no provisions in place for addressing missing documentation, there are also no provisions for identifying fraudulently represented parts.

Examples of the types of parts that may have inadequate or misleading documentation are:

- Parts manufactured by a supplier and shipped directly to a user without complying with § 21.303 or direct-ship authority;
- Salvaged parts;
- Parts manufactured for use by the military;
- Parts that have exceeded established life limits;
- Owner-produced parts;

- Parts manufactured without any production approval authority; or
- Parts that have undergone maintenance, repair, alteration, or overhaul without compliance with the Federal Aviation Regulations.

The ARAC created a working group to address this issue; however, this group was unable to reach consensus on the draft AC that it developed and turned the project over to the FAA for completion. The FAA Working Group’s draft AC provides guidance and information for persons to use in developing a system or plan for evaluating parts without documentation and either approving or not approving them for return to service. The draft AC also provides instructions for segregating parts for which no acceptability determination can be made.

Task Force members reviewed draft AC 20-XX and generally agree with its objectives and proposed processes. However, the group disagrees with the AC’s classification of parts: the AC categorizes Group A parts as those whose failure, malfunction, or absence could cause an uncommanded engine shut down or other failure resulting in loss or serious damage to the aircraft, or an unsafe condition. Group B parts are described as those parts not identified as Group A parts.

The Task Force members concluded that the proposed AC’s definition of Group A parts is too broad. Members of the Task Force also expressed concern that certain portions of the draft AC conflict with the Task Force’s current efforts, and should be revised before final publication of the AC.

6.8 Part Criticality

Issue: Determining the “criticality” of a part identified in a SUPs investigation should be made according to consistently applied technical criteria. This would help the FAA and law enforcement agencies determine the case priority and potential safety implication.

Recommendation: Revise Order 8120.10, *Suspected Unapproved Part Program*, with particular attention to the definition of part criticality, and adopt procedures under which the National SUPs Program Office will coordinate with the appropriate ACO for the purpose of determining “part criticality.”

Discussion: A technically accurate determination of part criticality is necessary to help the FAA establish the priority assigned to SUPs case investigations. This information also would permit the proposed FAA National SUPs Program Office to focus the investigation and determine the potential scope. Law enforcement agents also emphasized to the Task Force the need for such information to help prioritize their investigative work. They stated that investigators need a yardstick by which to measure relative importance of parts in order to target their investigations and determine which parts to focus on.

Under current procedure, specified in FAA Order 8120.10, *Suspected Unapproved Part Program* (September 28, 1993), AIR-300 is charged with assessing “Initial Priority Category” to establish the investigation priority. The same guidelines apply to determining “Final Safety Category.” Part criticality is one of the factors that is considered when cases are assigned a category. The problem with this system is that “part criticality” is not treated in a consistent manner. Order 8120.10 establishes six case priority categories that relate directly to the part in question. Four of these categories apply to the potential effect of the part on safe operation of the aircraft, and two of the categories address whether the case actually involved SUPs (Order 8120.10, Appendix 5, pages 1-2). The current procedure also permits AIR-300 to change the priority category in the database upon receiving substantiating information from the investigating office.

The FAA already is moving to refine the criteria used for determining priority. Instead of the current six priority categories, three are being considered, and they apply only to part criticality rather than to a mix of part criticality and case status (i.e., whether or not it is a substantiated SUPs case). The new categories would consider the most critical part (Category 1) as one whose intended use indicates that the consequences of its failure could, considered separately and in relation to other systems, reduce safety margins, degrade performance, or cause loss of capability to conduct certain flight operations so as to prevent the continued safe flight and landing of the aircraft. Such conditions may require the use of the “Emergency Procedures” portion of the flight manual, aircraft placards, or type certificate data sheets, as applicable. A Category 2 critical part would be one, essentially, whose failure would not prevent continued safe flight and landing of the aircraft, but that may reduce the capability of the aircraft or the ability of the crew, by increasing the workload, for example, to cope with adverse operating conditions or subsequent failures. Failure of a Category 3 part would not cause a departure from “Normal Operating Procedures,” according to the revised definitions under study. If a part can be used in more than one application and the criticality would be different in different applications, the application that results in the greatest safety risk is the one that governs part criticality determination.

Identifying part application criticality is considered a complex process because of aircraft system reliability and redundancy. The Task Force therefore found that determination of part criticality should be a task assigned to the appropriate Certificate Management ACO, rather than the investigating office. The Task Force also stresses the distinction between the concept of “part criticality” and “case priority.” Case priority may be based on numerous factors in addition to the part criticality. For example, other factors would include the number of parts involved and whether they have been installed on aircraft. (Appendix D, SUPs Investigation Procedures, contains a discussion of case prioritization.)

The Task Force developed recommended procedures in connection with establishing part criticality. When part numbers cited in the SUPs report are determined to be correct by the investigator, the Certificate Management ACO would be requested by the Technical Services organizational element of the National SUPs Program Office to determine part criticality based on the guidelines of the draft revision of Order 8120.10.

Over time, part criticality information for specific parts would be found in the PRS database and thus more readily available in establishing, with greater authority, initial case priority. This is because as part criticality is determined by ACOs on a case-by-case basis, the information is entered into the current SUPs prototype database. This practice would continue with the successor PRS database. Thus, when a new case involves a part number already in the database, part criticality would be automatically assigned. The Task Force envisions that the ACO eventually would have the capability to enter its part criticality determination directly into the database, rather than having to route it through the National SUPs Program Office. This determination by the ACO could be changed only in the relatively rare event that the ACO determined that a change was needed. This part criticality information would be made available to the case investigator by the PRS database with no further need to go through the ACO.

The Task Force considered not using the ACO to establish the part criticality, but determined that this option could contribute to inconsistency in the determinations. The ACOs are most intimately familiar with this issue, and are the most appropriate offices to make this highly technical determination.

6.9 Surplus Military Parts

Issue: Aviation parts that had been produced for military applications, or produced for FAA-certificated products but subsequently operated in a military environment, may not have been produced, operated, or maintained in accordance with the Federal Aviation Regulations. Their use may pose a risk to safety. This problem is compounded because commercial and military products often share identical part numbers. Furthermore, the recent disclosure that the military intends to dispose of significant quantities of surplus aviation equipment is expected to create a potential threat to the commercial system.

Recommendation: The Task Force believes that the Department of Defense (DoD)-planned steps and the procedures in draft AC 20-XX adequately address the SUPs problem, and recommends that the National SUPs Program Office monitor the DoD/FAA Program to ensure that it is compatible with the FAA SUPs Program. If the program is not implemented on time or consistent with the current plan, the Task Force recommends that the FAA develop specific policy and procedures to minimize the threat posed by surplus military parts.

Discussion: The DoD is required by the Surplus Property Act of 1944 to dispose of its surplus property; however, it is prevented from destroying property with any economic value. Consequently, certain aviation parts that are considered surplus by the military are sold. Some of these may be unfit for any aviation application, some may not be appropriate for use on a civil aircraft, and others may be acceptable for use on civil aircraft. One of the important questions is whether or not there is sufficient documentation or other identifying information associated with a given part to determine which of these three possibilities is the case.

On September 13, 1994, the Deputy Under Secretary of Defense (Logistics) convened a meeting hosted by the Defense Logistics Agency, in part, as a result of FAA concerns over military surplus parts entering into the civil market place. At that meeting, a Process Action Team (PAT) was established, which produced a set of five recommendations related to the identification, disposition, and control of a flight safety critical aircraft part (FSCAP). Subsequently, the DoD and the FAA accepted the recommendations and developed an implementation plan. The plan, documented in a July 6, 1995, memorandum signed by the DoD and AVR-1, identified the following actions:

1. Process for Identification of Dual-Use FSCAPs

- a) The DoD and the FAA will publish in their respective regulations, advisory material, and other appropriate documents the definition of FSCAP developed by the PAT.
- b) The DoD will assess the systems and regulatory changes necessary to identify current and future FSCAPs in its provisioning and cataloging records, distinguishing between military and dual use applications, and initiate action to implement the appropriate changes.
- c) The DoD (for the military services) and the FAA (for the Coast Guard and public sector aircraft) will initiate action to require the tracking of FSCAP usage. To the extent possible, tracking procedures (including deficiency reporting), currently in place by the various organizations, will be used, modified only as necessary.
- d) The DoD and the FAA will initiate action jointly to ensure that manufacturers provide to DoD the FAA Form 8130-3, Airworthiness Approval Tag, when FSCAPs are delivered. The DoD will develop procedures to provide the Tag to the Defense Reutilization and Marketing Offices (DRMOs) when the FSCAPs are being disposed of.
- e) The DoD will assess the feasibility of using Designated Airworthiness Representatives or Designated Manufacturing Inspection Representatives to determine the eligibility of FSCAP for dual-use designation and certification.

2. *Identification of Appropriate Documentation to Accompany all FSCAPs at Time of Disposal from DoD Inventory*

- a) The DoD will apply serial number controls and track the usage history of FSCAPs, where practicable. Relevant documentation will be provided to the DRMOs when the FSCAPs are being disposed of.
- b) The DoD and the FAA jointly will assess the feasibility of adopting common procedures for documenting FSCAPs and attempt to minimize the amount of documentation necessary.

3. *Process and Coding Structure to Ensure that FSCAPs Lacking Documentation are Mutilated*

The DoD will initiate action to establish a coding structure that identifies FSCAPs and, in conjunction with the condition of the FSCAPs, enables the military services to determine if the FSCAPs must be mutilated by the services or can be sold by the DRMOs.

4. *Ensure Inter-Service/Agency Sharing of Information*

- a) The DoD and the FAA jointly will review how technical and other information is shared within and between the involved organizations, with a view toward improving the information flow.
- b) The DoD will assess the feasibility of returning a portion of the disposal sales proceeds to the military services to reimburse their processing expenses.

5. *Develop a Process to Ensure That Non-DoD Organizations Track and Control FSCAPs Appropriately*

The DoD and the FAA jointly will initiate action to ensure that the public sector or other organizations obtaining FSCAPs track and control them to equivalent standards of the DoD.

The Task Force reviewed the planned steps for implementation of the DoD/FAA program with respect to surplus military parts and concluded that this program adequately addresses their concerns relating to SUPs, and that the planned steps are compatible with the recommendation of the Task Force, as found in this document. It will be important for the proposed National SUPs Program Office to maintain an understanding of the surplus military parts program and its implementation progress to provide information to Regional/Directorate SUPs Coordinators as well as field offices involved in SUPs investigations.

FAA guidance for undocumented parts is applicable to surplus military parts as well as parts from other sources. If surplus military parts have a dual use but the documentation is not complete, certificate holders under 14 CFR Parts 121, 125, 127, 129, 135, and 145 may use the procedures outlined in draft AC 20-

XX to develop a system/plan for making a determination of conformity or acceptability for aircraft parts at receiving inspection and for current inventories when parts documentation is not sufficient to establish that the parts were manufactured in compliance with Part 21 or previously determined to meet the requirements of Part 43 by an appropriately rated certificate holder. These may include parts manufactured for and used by the DoD.

The Task Force is concerned that the planned program may not be implemented; however, it did not develop a specific alternative. If the DoD program is not implemented, the FAA should develop its own program.

6.10 SUPs Case Files/Records

Issue: SUPs case files are retained in multiple locations, making it difficult to review technical information or analyze historical cases.

Recommendation: The SUPs investigation process should explicitly require that all field office case files be transmitted to the Regional/Directorate SUPs Coordinator for consolidation (if necessary) and then transmitted to the Data and Analysis organizational element of the National SUPs Program Office. Appropriate guidance material and training should reflect this procedure.

Discussion: One of the problems encountered by the FAA with investigation and analysis of SUPs is that critical technical information is maintained in a number of field and headquarters offices. Even after the field investigation portion of the SUPs case is completed, the records related to the case are not consolidated and maintained in one location. This situation is particularly troublesome when the FAA is responding to a request made under the Freedom of Information Act (FOIA).

In most cases, a SUPs investigation is performed by one field office; however, there may be instances where several field offices within one region are involved in an investigation, and cases where more than one region participates in the case. Consequently, it is possible to have important investigation information in several locations. The proposed organization and process for SUPs investigations would involve a national office, a Regional/Directorate coordinator, and at least one field office. Case files at these various locations would contain duplicate materials, and it is likely that no file would contain a comprehensive set of information during the FAA investigation phase.

The Task Force considered the experience gained in managing the current SUPs case files and the advantage of having a centralized records system for subsequent analysis. With the added incentive of simplifying the response to an FOIA request, the Task Force concluded that all case files should be consolidated and stored in the national office once the field office(s) concluded its responsibilities with a SUPs investigation. The case may or may not be

closed, depending on what follow-up actions by the FAA or another agency are pending. Related information, such as enforcement files, would be handled as it is today and not included in the SUPs file.

Responses to FOIA requests related to a SUPs investigation would be handled in the same manner as any other FOIA request; however, the proposed process would ensure that once records are accessible through a FOIA request, they would be relatively easy to assemble and copy.

6.11 Salvageable and Scrap Parts

Issue: When an aviation part is no longer eligible for installation on an aircraft, and the owner wishes to dispose of it, the part may be: 1) salvageable as an aviation part, 2) useful only in a nonaviation application, or 3) of no value except for its base material. In any case, there are economic considerations that must be weighed against potential aviation safety impacts if parts of this type are not carefully identified and controlled. This issue is complicated by the use of terms such as “scrap” and “unsalvageable,” which do not have a consistent meaning to all who use them.

Recommendation: The FAA should take necessary steps to ensure that once aviation parts are classified as “salvageable,” they are properly controlled, and that “scrap” parts are destroyed to prevent their re-entry into the aviation system.

Discussion: There have been a number of examples of parts that were discarded by the owner, marked as scrap, and disposed of through a junk dealer that were subsequently found back in the aviation system, having been “restored” using unacceptable methods or by unqualified people. Concerns over the use of scrap parts have been highlighted in recent congressional hearings and news media reports. The Task Force recognizes potential current legal obstacles to mandatory destruction of property that is aviation scrap material, but considers it vital that such material be stopped from returning to aviation use, either inadvertently or through deliberate action by unscrupulous persons in the industry. This may require rulemaking action. While recognizing ownership prerogatives, the FAA should immediately encourage, through advisory material, all who possess scrap parts to destroy those parts before releasing them into commerce.

AC 21-38, *Disposition of Unsalvageable Parts and Materials* (July 5, 1994), describes “unsalvageable” parts in terms of criteria very similar to those associated with the term “scrap” in these public discussions. The terms “scrap” and “unsalvageable” do not have the same connotations to everyone; consequently, the following discussion focuses on the concepts of parts that: 1) may have future aviation value, 2) may have value in only a nonaviation application, and 3) should be altered in such a way that they cannot practically

be reused in aviation, either inadvertently or through deliberate misrepresentation.

Salvageable aviation parts are unserviceable (or of unknown status) but, from an economic point of view, have potential value in an aviation use. Consequently, they may be worth storing until restored to an airworthy condition (i.e., in conformity with the type design and in a safe condition for operation), or until they are shown to be airworthy with adequate documentation and/or testing. A second type of salvageable part would be one that cannot be made airworthy at the time it is stored; however, there is reason to believe that it is likely to have future aviation value. For example, a part that has reached a life limit may be stored in anticipation of an increase in that limit based upon in-service experience and analysis, or a part that requires repair for which there is currently no approved process may be stored in anticipation of a new approved process. As found in AC 21-38, reasons why a part may be unsalvageable include:

- The part has nonrepairable defects (whether visible to the naked eye or not).
- The part is not within the specifications set forth by the approved design and cannot be brought into conformance with applicable specifications.
- Further processing or rework cannot make the part eligible for certification under a recognized certificate holder's system.
- The part has undergone unacceptable modification or rework that is irreversible.
- The part has a life limit that has been reached, or has missing or incomplete records.
- The part is a primary structural element (or similarly, structurally significant item) removed from a high-cycle aircraft for which conformity cannot be accomplished by complying with the applicable aging aircraft ADs.

No matter what type of salvageable part is being considered, it is clear that it must be completely identified, its status well documented, and any disposal or storage controlled.

The concept of scrap parts, in the opinion of the Task Force, is only slightly different from that of salvageable parts in that the owner has decided to dispose of them for whatever reason, and in most cases the owner believes they have relatively little value. Scrap parts may also be considered in different categories: 1) parts that have no value except for the base material, 2) parts that are typically used in safety critical aviation applications and may have future use in a nonaviation application, 3) parts that are typically used in aviation

applications that have relatively low safety impacts if they fail, and 4) parts whose misuse in aviation poses an insignificant safety risk. Consideration should be given to requiring that parts in the first two categories be mutilated or altered so that it is not feasible or economically reasonable to return them to aviation use or even represent them to be appropriate for aviation use.

The Task Force recognizes there is a significant potential problem with such a requirement to destroy property, but believes that the potential safety benefits are such that this option, nevertheless, should be considered. Although scrap parts may lack aviation value, they still may be considered useful for other purposes, such as for ground power stations. Given that they are private property, it may be difficult to mandate that scrap parts be destroyed if their owners deem them to have value beyond their basic material content. The Task Force considered the possibility of requiring only that scrap parts be indelibly marked as scrap; however, it concluded that such measures could be inadequate if unscrupulous dealers sought to disguise and misrepresent the parts and sell them for use in aviation. The Task Force believes that, in many cases, the safety needs outweigh private property interests. However, study of the potential impacts of mandating destruction of private property in terms of any required legislation or regulatory changes was beyond the scope of the Task Force effort.

Parts that fall into the latter categories 3) and 4) listed above need not be destroyed. However, it continues to be very important to completely document such parts to minimize the risk of inadvertent misuse.

6.12 Removal of “Unapproved Parts” From the System

Issue: The Task Force believes all “unapproved parts” should be removed from aircraft as soon as practicable. A removal process must recognize that not all “unapproved parts” pose the same risk to safety. Furthermore, the Task Force believes that the FAA and the industry should have a goal of removing all “unapproved parts” from the aviation system, whether they are installed on an aircraft or not.

Recommendation: Establish a procedure for removal of “unapproved parts” from aircraft parallel to the current MEL process for parts with a criticality level of 1 or 2 that are listed on the current MEL for a specific aircraft. For parts with a criticality level of 3, establish an Administrative Control Item, as defined in the preamble and definitions in existing MEL documents. “Unapproved parts” that may be in the inventory and not on aircraft should be removed from the inventory and segregated to preclude access by personnel that may inadvertently install an “unapproved part.” These new processes should be formally incorporated into operators’ maintenance manuals.

Guidance should be developed for distribution to the industry and FAA field offices that defines the details of this process as well as the level of acceptance required by the FAA.

Discussion: The recommendation of the Task Force is predicated on the acceptance of certain “unapproved parts” being treated in the same manner as inoperative “approved parts.” Today, an inoperative “approved part” can remain in service for a predetermined amount of time if the part is listed in the MEL for the aircraft. By extending the process to “unapproved parts,” if listed in the MEL, the unnecessary grounding of the aircraft could be averted with no impact on the safety of the operation. The MEL procedures and philosophy are proven and well understood by the industry and the FAA. The Task Force believes that using the MEL process for controlling and ultimately removing “unapproved parts” is appropriate, reasonable, and provides an equivalent level of safety.

Once a part that may be installed on aircraft is identified as an “unapproved part,” the aircraft operator must:

1. Locate every such part through a review of records or other verification procedures that might include physical inspection of the aircraft.
2. If the “unapproved part” has a part criticality of Category 1 or 2, a process parallel to the MEL procedures should be followed if that part is currently listed in the MEL for the aircraft. (See Section 6.8 of this report for a discussion of part criticality categories.) This would include complying with any maintenance or operational procedures and/or limitations that would be required by the current MEL. The time limitations specified in the MEL for removal of the part in question must also be complied with. Any Category 1 or 2 “unapproved part” not listed in the current MEL must be removed and replaced since no MEL exists that authorizes the part to remain installed for any period of time.

Note that the FAA, after its review of part criticality and the potential impact on safety, may issue an AD for removal of the part. This option is always available and would be exercised as it is today for any safety critical problem, whether related to a part or not. Also, as is the policy today, an AD would override any MEL process for an unapproved part.

It is also important to note that, through the normal process of engineering analysis and test (if necessary), there are methods whereby a technically “unapproved part” could be found to be in compliance with the Type Design of the aircraft. One such method would be the issuance of a Supplemental Type Certificate by the FAA, which would include the part in the modified type design and therefore make it “approved.” The STC process also demonstrates that an equivalent level of safety is maintained.

3. If the part has a part criticality of Category 3 and qualifies as a part that could be controlled using the Administrative Control Item process as described in the MEL, the operator must use that process to schedule the removal and replacement of the part in a manner that would be appropriate and provide for an equivalent level of safety. In no case should the “unapproved part” be allowed to remain installed beyond a scheduled maintenance inspection interval where the part could be removed and replaced without incurring a substantial adverse operational impact.
4. For “unapproved parts” that may be in the inventory but not on aircraft, the operator must have a process in place, acceptable to the FAA, that would segregate these parts, when identifiable, from that inventory that is accessible to personnel who might install the part on a aircraft. In all instances where “unapproved parts” can be identified and located, they must be purged from the system.

7.0 Information Systems Strategy

Issue: An improved, more comprehensive information system is required to adequately support the SUPs Program.

Recommendation: Immediately initiate an abbreviated user requirements study and functional systems requirements analysis so as to more fully develop user and functional requirements for a PRS. Proceed with system design, development, and implementation. Explore the feasibility of sharing cost/design functions with other agencies with a critical interest in a national PRS and define the requirements for and establish a bulletin board system for public access.

Discussion: A prototype SUPs database system was implemented after final programming changes were made in September 1994. The purpose of the system is to provide a facility capable of storing and retrieving SUPs case information. The system was designed to respond to management requirements for SUPs information. The system does not adequately support the field investigators, nor is it designed to facilitate case and data analysis. Repeated audits of the SUPs database reveal that, although the system is useful in tracking SUPs investigations, there continue to be flaws in the data, the system's capabilities to track certain data, and the ability to generate certain management reports from the system.

A particular weakness in the prototype system are the limitations regarding tracking multiple status, such as if more than one company is involved in the investigation or if more than one office or agency is conducting simultaneous investigations. Additionally, there are few data edits and a weak quality control process to ensure that information forwarded for data entry is accurate and complete.

The DOT/OIG has underscored the importance of the SUPs database in obtaining statistical information and aiding investigations. The OIG's main findings were:

- SUPs case investigations are not consistent and complete.
- Not all SUPs notifications submitted to the FAA are recorded in the database and processed as SUPs cases.
- SUPs program management controls do not ensure that the database accounts for additional SUPs found as a result of SUPs investigations.

- FAA field offices did not update FAA headquarters on results of investigations on a timely basis.
- Key data elements of the SUPs database are incorrect.

In June 1995, an internal assessment of the SUPs prototype database revealed that, although a prototype, the database is being used as an operational system for tracking SUPs investigations for the field and as a management information system to answer questions asked at FAA headquarters. The quality of the data and other system inconsistencies require extreme caution in the use of the information provided from the prototype system. The database limitations include: the ability to report on a company only if it is the primary focus of the investigation; the lack of connecting data between related cases; and the inability to track individuals as opposed to companies. The new SUP Status Report (FAA Form 8120-12) is designed to report the progress or closure of a SUPs case. It provides management with a snapshot of a case by providing instant information on the case status and provides final investigation results. However, the SUPs Status Report, as designed, is cumbersome when dealing with subsequent parts and requires a relatively high data-entry workload to enter multiple parts.

Basic Requirements

The SUPs Task Force identified that the quality and availability of SUPs data is a key issue. This includes data being made available to the public. Public data could be available on a bulletin board system (BBS) and could include information about companies that are PAHs as well as information regarding results of investigations that may be pertinent to aviation safety or the industry at large. FAA data issues include categorizing SUPs cases, determining case priority, tracking SUPs, and producing information regarding persons that hold a PMA.

The SUPs Task Force identified information requirements (discussed in Appendix E regarding the PRS) that the National SUPs Program Office must address, and found that the information needs to go beyond the current SUPs prototype database, because the new system should capture and clearly distinguish the types of suspected “unapproved parts.” The Task Force considers it vital to distinguish between different types of SUPs because the appropriate response differs — both at the local level, where investigations are conducted, and at the regional and national levels, where trends are monitored. Furthermore, because the information needs addressed in the new system would contain numerous types of information designed to help investigators and policy makers, including links to other information systems, the proposed information system would be much broader than the current prototype SUPs database. Thus, a new information system should be considered a PRS.

The improvement of the data system, the need to standardize and stabilize the data, and the capability to track and cross-reference all required information is

critical to the success of the SUPs program. An abbreviated user requirements study and functional systems requirements analysis should be conducted by personnel knowledgeable in both disciplines, automation and aviation, so as to more fully develop user and functional requirements.

System Requirements

The FAA must review the current prototype system, identify transition strategies, and develop the requirements for a national parts information system. The need to interface with other government and commercial agencies led the Task Force to the recommendation of exploring the feasibility of sharing cost/design with other agencies involved, such as the DOT/OIG, DCIS, and other law enforcement agencies, especially the Department of Justice. The FAA would volunteer to be the lead agency in such a multi-agency initiative.

Generally, the system must be designed to operate in concert with existing technology and communications (such as the AVR data warehouse concept). System access must include all offices and agencies involved in SUPs reporting and investigation, and read-only or bulletin board access to industry and commercial activities.

The need to limit certain access to all SUPs activities would require system security capable of providing only the access required by or permitted to each user of the system while protecting certain information from unauthorized access. The security system would also control data entry, modification, and deletion. The Task Force believes that the Database Administrator (DBA) functions should be assigned to the FAA National SUPs Program Office Data and Analysis organizational element.

The system must be designed with point-and-click, mouse- and Windows-type user interface. The system environment must include on-line tutorials, on-line content-sensitive help functions, and pop-up windows with input selections readily available. Links into other systems (such as Vital Information System), the use of look-up tables, and data-entry interactive edits would be used to ensure, to the maximum extent possible, that the data entry is standardized and complete. Links to other systems, such as the Program Tracking and Reporting System (PTRS), the Enforcement Information System (EIS), and the Safety Performance Analysis System (SPAS), must be established. Links into other systems would eliminate redundant data entry and provide key information, such as “red flags” in SPAS, to alert FAA organizations of problems that are developing. Field data entry must be developed so that it ensures timely entry of new reports of cases and current updates of status reporting. The system must capture determinations made during the course of an investigation (such as the criticality of a specific part) so that information is immediately available to subsequent investigation relating to the same or similar parts. The data quality must be maintained at a high level through these various system design features if the PRS is to be effective.

Information Requirements

The Task Force developed a list of basic information needs for the PRS. This analysis of information requirements was accomplished using the Task Force's own views of required outputs, based on field experience as well as SUPs database experience. The Task Force also reviewed requirements information previously developed to ensure completeness. The review included the results of the FAA SUPs Program Planning Meeting held in Seattle April 11–13, 1995; lessons learned from the current prototype SUPs database system; and considerations addressed in draft Form "8120.XX," which is a proposed revision of Form 8120.12, now under review.

PRS requirements were worked from the lowest level, i.e., the SUPs investigator level, because the Task Force believes that if the detailed information requirements of the investigator can be satisfied, then the majority of requirements at the management levels would also be satisfied.

The Task Force first developed information requirements for reporting SUPs cases. All of the information may not be available on the initial contact, but the system should be capable of capturing all of the information, and there should be some tools (automated or desktop aids) to assist the persons receiving an initial report to ask all necessary questions to ensure complete data entry. The Task Force identified the information needed for an investigator to begin the case investigation (see Appendix E). Then, the requirements for Region/Directorate and national headquarters were identified. Generally, the most important requirement was the ability to summarize data that already existed within the system. The requirements of the National SUPs Program Office differed from the inspector's needs in that this office would be responsible for analysis, information dissemination, and inter/intra-agency coordination. The program office would also most likely coordinate FOIA requests, congressional inquiries, and other governmental inquiries.

8.0 Relationships With Law Enforcement Agencies

Issue: Policies on the FAA’s working relationships with government agencies investigating criminal cases related to “unapproved parts” need review and clarification. Major issues include identifying points of contact, notification of cases, information sharing, and, as addressed in Section 9.0, improved training of the FAA workforce on criminal aspects of SUPs investigations.

Recommendation: The FAA should clarify its intended working relationships with law enforcement agencies, and facilitate these agencies’ access to the FAA, as well as FAA access to law enforcement agencies, while maintaining appropriate coordination with the FAA Office of Civil Aviation Security and the DOT/OIG.

Recommendation: The FAA should work with law enforcement agencies to develop and maintain standard operating procedures that would facilitate working relationships between FAA inspectors and those agencies, recognizing the importance of both law enforcement and aviation safety protection.

Recommendation: The FAA should provide timely, simultaneous notification of SUPs cases to all interested law enforcement agencies, and the memoranda of understanding with those agencies should address when law enforcement agencies should notify the FAA of SUPs cases they are pursuing in recognition of the FAA’s safety responsibilities.

Discussion: Some of the most serious threats to safety related to unapproved aeronautical parts involve criminal offenses, such as counterfeit parts and fraud. The FAA can provide substantial technical expertise to assist law enforcement agencies in their investigative work on unapproved aeronautical parts. It is important that the FAA, in carrying out its safety responsibilities, work cooperatively with law enforcement agencies through improved communication and understanding of each others’ functions.

The Task Force held several productive meetings with law enforcement officials of the primary agencies that conduct “unapproved parts” investigations. These officials represented the FAA Office of Civil Aviation Security, the DOT/OIG, the Department of Justice, the FBI, the DCIS, and the USCS. The Task Force and the law enforcement agencies exchanged information on how the FAA could better cooperate with the law enforcement agencies. The agencies responded with candid and detailed observations, offered to assist the FAA

in inspector training, and expressed an interest in a comprehensive database that would be helpful to all law enforcement agencies.

The law enforcement representatives described a history of inconsistent working relationships with the FAA. At the local level, they stated that they often enjoyed extremely close working relationships with FAA inspectors, but not in all areas.

The key policy question that law enforcement officials recommended the Task Force address was clarification of the FAA's position with respect to SUPs cases in general, and consequent standardization of investigation procedures for all FAA personnel. The officials requested that the FAA speak with "one voice" in regard to SUPs policy and technical issues. This issue is being addressed directly through the reaffirmation of FAA SUPs policy in the statement in Section 2.0, and through the formation of the National SUPs Program Office proposed in Section 4.0 of this Program Plan.

Secondly, the law enforcement officials sought clarification and change with regard to their working relationships with the FAA. Essentially, they sought more flexibility for direct contact with FAA inspectors at the local level, as well as a centralized point of contact at the national level. Currently, FAA policy is to direct all FAA external law enforcement contacts through the FAA Office of Civil Aviation Security, which in turn is required by a policy agreement to exclusively contact the DOT/OIG as its intermediary to outside law enforcement agencies. Certain law enforcement agencies have found that these strict channels inhibit their ability to develop long-term working relationships with FAA inspectors at the local level.

Law enforcement agencies tend to prefer to work with the same FSDO- or MIDO-level inspectors over time. This permits the inspectors to gain experience and training in the criminal investigation process, develop a level of confidence with the law enforcement agencies, and improve efficiency in the process. The agencies prefer to work with fewer inspectors to enhance this specialization and long-term working relationship, and to minimize concerns regarding confidentiality of investigation information.

Creation of the National SUPs Program Office would address the issue of a centralized point of contact. The Task Force also agrees that direct contact between law enforcement agencies and FAA local offices should be facilitated. A point of contact should be established for law enforcement agencies in the local office, and this should start as the office manager. The office manager would have the option of delegating this responsibility. Contacts with law enforcement agencies initiated by inspectors should be coordinated initially through the Regional/Directorate SUPs Coordinator; which might change during the course of an investigation, when a working relationship could develop between the law enforcement investigators and the local office. The Task Force believes that ACS should continue to receive prompt notification of law enforcement-related contacts by FAA inspectors. ACS should be ready to

support and assist in any way possible when requested. The FAA must maintain clear procedures for determining which law enforcement agency to call under given circumstances. Although the FAA may continue to contact the DOT/OIG initially, this would not preclude directly contacting other law enforcement agencies as well, when it is deemed necessary.

In a related issue, the law enforcement agencies also requested that the FAA provide them with prompt notifications of new SUPs investigations. The Task Force believes that the FAA should simultaneously provide SUPs case information to all interested law enforcement agencies as rapidly as possible. All law enforcement participants meeting with the Task Force appeared to find such a procedure acceptable. The Task Force envisions that the database discussed in Section 7.0 of this Program Plan would have the capability of sharing such information almost instantaneously.

The law enforcement officials also pointed out that normal FAA inspection and surveillance techniques are not appropriate in cases of fraud or other criminal activity. They pointed out that FAA inspectors typically provide advance notice of their inspections to operators. This may not be a problem in the case of operators not engaged in criminal activity, but those who often use the advance notice to move their counterfeit parts, fabricate records, or otherwise conceal their activities. This issue is addressed through the training proposals contained in Section 9.0 of this Program Plan.

The Task Force recognizes the need for developing standard operating procedures and/or additional training to help inspectors perform investigations in conjunction with law enforcement agencies. Procedures would address such issues as when the FAA should notify a law enforcement agency and which one, when law enforcement agencies should notify the FAA of SUPs cases, how to handle sensitive information, and others. The Task Force has initiated meetings with representatives of law enforcement agencies to develop these procedures, and the Task Force recommends that the National SUPs Program Office continue these meetings and formalize and refine the procedures as required. It may be advisable to capture these procedures in a memorandum of understanding. These procedures should reflect a recognition that the FAA's first priority is aviation safety, and law enforcement agents should have an understanding of when to notify the FAA of cases they are pursuing, in the interests of protecting aviation safety.

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9.0 Training

Issue: Inspector training must help inspectors identify suspected “unapproved parts,” conduct investigations that satisfy FAA safety and enforcement responsibilities, and work with law enforcement agencies.

Recommendation: Provide interim SUPs policy and procedures training to AIR and AFS maintenance inspectors and other personnel. Deliver this training via electronic means to ensure rapid delivery and supplement it with publication of a comprehensive “Inspector’s Guide to Suspected Unapproved Parts.”

Recommendation: Begin immediately to develop the formal, more detailed training element of SUPs policy and procedures for implementation concurrently with the establishment of the National SUPs Program Office, and follow up with the DOT/OIG, DCIS, and the FBI to obtain training offered by those agencies for FAA inspectors.

Recommendation: Based on formal training courses, develop computer-based instructional programs and make them available to inspectors at their local offices for use in reinforcement training.

Discussion: Currently, inspector training is geared toward surveillance, inspection, and enforcement actions in connection with producers of aviation parts and users of aviation parts. Inspector activity primarily addresses production systems and processes, quality control, repair facilities and processes, and recordkeeping. Inspector training is similarly oriented. Relatively limited specialized SUPs training is conducted and only limited training has been offered to help inspectors recognize indications of fraudulent activity with regard to parts’ status and documentation. In the short term, inspectors also need assistance in sorting out potentially inconsistent guidance material.

The Task Force considered the training necessary for managers and inspectors on the various aspects of FAA SUPs investigation, which also must be provided to current and future inspectors as well as managers. These aspects include emphasis on the proposed SUPs policy; changes to routine inspection and surveillance procedures to detect SUPs; improved training on indicators of fraud or other criminal activity; training on the FAA’s role in SUPs in relation to other agencies, particularly law enforcement agencies, in coordination with the national office and Regional and Directorate SUPs coordinators; and general training on procedures for investigating SUPs during and after the establishment of the National SUPs Program Office.

To meet these training requirements, the Task Force developed a recommended three-pronged approach to SUPs training:

1. Interim training
2. Formal training
3. Reinforcement training.

Interim training would commence throughout the FAA as soon as possible after acceptance of the Task Force’s proposals by the Regulation and Certification Organization. This training would address the policy statement, which the Task Force believes should be posted conspicuously throughout FAA offices just as other high profile policy statements are emphasized. Interim training also would address current FAA SUPs policy, guidance, and regulations as they continue to affect how investigations are conducted. This training should address critical definitions, and the roles of MIDO, FSDO, engineering, and other FAA personnel in the SUPs investigation process. The interim training should also inform FAA personnel about the new National SUPs Program Office, how it would function, and the planned reporting relationships between the field and the national office. The training would emphasize the technical support and policy guidance capabilities planned for the Technical Support organizational element of the National SUPs Program Office.

The interim training program would be directed at all AFS maintenance inspection personnel, all AIR personnel, and supervisory and management personnel. Training also should be available to AGC and ACS personnel. This training could be delivered during a 1-hour video presentation, possibly via interactive video teleconferencing (IVT), to ensure rapid communication throughout the agency. In addition, the Task Force recommends that the FAA produce immediately an “Inspector Guide to Suspected Unapproved Parts.”

This Guide should address FAA policy, provide clear definitions and explanations of terms and concepts involved, explain the FAA SUPs program as described in FAA Order 8120.10, and delineate steps to follow when “unapproved parts” are discovered to ensure that the parts are not used and that enforcement action is taken when appropriate. This Guide should assemble in a single document copies of applicable portions of current ACs, Orders, Notices, and other relevant guidance material, and a list of the most relevant regulations. The Guide should also provide telephone numbers of offices that can provide further assistance until establishment of the National SUPs Program Office.

Formal training on FAA SUPs policy and procedures would provide inspectors with far greater detail than the interim training element. Formal training would be implemented when the National SUPs Program Office has been established and details of new procedures have been determined. The training would be provided to classes that include both AIR and AFS personnel. This joint training approach would emphasize the cross-disciplinary nature of SUPs

investigations and standardize the two services' procedures, methods, and practices. The training would address at least the following issues:

- Parts approval processes (including material from current AIR training programs)
- Options permitted by the regulations for owner-produced parts or fabrication of parts for repairs
- The limits of field approval authority as related to parts approval; i.e., reinforcement of information already provided in training, but with a SUPs perspective
- Definitions
- Roles and responsibilities of inspectors, the Regional/Directorate SUPs Coordinators, and the National SUPs Program Office
- Roles and responsibilities of law enforcement agencies, and policies and procedures for FAA inspectors to interact with those agencies
- Indicators of fraud or other criminal activity
- Interview techniques
- Considerations in obtaining parts evidence in FAA enforcement actions and related law enforcement requirements
- Sensitivity and confidentiality of information, conflict of interest, and the legal process
- Other aspects of FAA investigation and enforcement procedures, including proper interaction with FAA enforcement attorneys and other offices, and when to request assistance of other offices or law enforcement agencies
- Development and approval of manuals that contain procedures for identifying SUPs during receiving inspections for certificate holders
- The utility and limitations of the Illustrated Parts Catalog (IPC) or similar parts manuals in determining whether parts are “approved parts”
- Undocumented parts substantiation procedures for both the operator and the FAA, as outlined in the Parts Approval Action Team (PAAT-III) procedure (proposed AC 20.XX)
- Procedures for disposing of scrap parts

- Processing procedures for SUPs cases, including use of the database, and initial and continuing information requirements
- Policies and procedures for responding to requests under the FOIA.

Curricula should emphasize use of examples and actual closed cases to help inspectors form a base upon which to make decisions. Classroom groups would conduct case studies and determine the appropriate classification of each SUPs example. The FAA should accept offers the Task Force received from the DOT/OIG, DCIS, and the FBI to assist in providing training blocks to inspectors. Guidance and training should note that inspectors should contact FAA enforcement attorneys early in the process rather than wait until the investigation is completed. (FAA Order 2150.3A, *Compliance and Enforcement Program*, should be reviewed to provide more complete guidance).

The formal SUPs training modules could be added to existing courses such as Aircraft Certification Indoctrination and Airworthiness Inspection, Certification, and Surveillance of Foreign and Domestic Repair Stations. Costs to develop a SUPs module that would be included in the current formal training courses would be approximately \$250,000. An alternative delivery process would be to have a training team travel to various field sites presenting the material included in the SUPs training module, instead of having all trainees travel to one location.

The third element of the training approach would be reinforcement training. The Task Force considered describing this as recurrent training, but did not want to impose a regularly-scheduled training requirement. Rather, the reinforcement training envisioned would be interactive computer-based instruction that would be used on an as-needed basis at the field office level. The reinforcement training would summarize formal training course information and would also be useful to inspectors researching policy or procedures during an investigation. The Task Force estimates that a SUPs CBI module would cost approximately \$30,000 to \$50,000 to develop and disseminate.

The Task Force considered videotaped instructional materials for the formal and reinforcement training elements, but concluded that tapes do not require sufficient student participation. The reinforcement training is considered as much a research tool as training, and therefore should be more “user friendly” and capable of meeting the needs of the inspector.

10.0 Implementation

10.1 Transition Issues

This section outlines the basic steps the Task Force believes the FAA should take to begin implementing critical aspects of the SUPs Program Plan. Some of these can be taken even before the proposed National SUPs Program Office is established. The goal should be to have a National SUPs Program Office established and staffed within 90 days of the start of the transition process. The Task Force believes that the transition can begin almost immediately and could be governed by the following:

1. ***Issue Policy Statement*** — The SUPs Policy Statement should be issued as soon as possible and should be posted conspicuously throughout FAA offices just as other high profile policy statements are emphasized.
2. ***Explain Transition*** — A memorandum should be sent to all AFS and AIR field offices, all Regional Flight Standards and Directorate management, all Regional/Directorate SUPs Coordinators, all Assistant Chief Counsels for Regions, and all ACS regional offices explaining the transition plans.
3. ***Establish Transition Staff*** — Within 60 days, AIR and AFS staff (at least two from each service) should be “detailed” to an office at Dulles Airport, which would be designated as the SUPs Office. This office would develop the structure of the new Program Office based on this Program Plan and would evolve into the organization that is described in Section 4.0 of this document. The core transition team detailed to the Dulles office would be augmented with temporarily assigned personnel to provide additional technical assistance. These additional resources need not be located at Dulles and they need not be full time; however, they and their managers should agree to assign a high priority to assisting the National SUPs Program Office development. Given the communications systems available, it is feasible to make use of resources anywhere in the FAA system and begin the transition process as soon as the core group is in place at Dulles.
4. ***Task Force Support*** — Guidance for developing the national office throughout the process would come from the Task Force that produced this Plan. This would ensure consistency and continuity with the Task Force vision for the office. It would also ensure that the analysis

underlying the Task Force recommendations is available to the new office staff. Even after a SUPs Program Manager is in place, the Task Force members would continue to provide guidance and assistance as needed. Task Force members may also work directly with the initial staff of the Technical Support organizational element for a brief period to help implement that function quickly.

5. ***Transition Team Immediate Actions*** — The interim office would immediately begin the following tasks:
 - Provide a single voice on SUPs policy;
 - Function as a central source to explain terminology and procedures, provide technical assistance to the field, the industry, and law enforcement agencies; and
 - Oversee the upgrades of the existing SUPs database and the development of the new PRS.
 - Along with AGC, develop an appropriate surveillance and enforcement strategy within the framework of existing regulations and guidance, and determine the best way to convey this strategy to field offices.

The personnel in this interim office would have two top priorities:

- 1) ensure that the FAA policy of uniform and vigorous SUPs enforcement is clearly understood within the FAA and externally, and
- 2) establish the national office under the direction of the Program Manager as soon as that position is filled.

6. ***Law Enforcement Relationships*** — Initiate meetings with law enforcement agencies to formalize standard operating procedures and draft Memoranda of Understanding, if appropriate.
7. ***Interim Training*** — Initiate the interim training program as described in Section 9.0 of this Plan. This would include obtaining training materials and assistance from law enforcement agencies. The interim training should address:
 - SUPs policy, related regulations, and investigation procedures
 - Roles and reporting relationships of the MIDOs, FSDOs, engineering, SUPs Coordinators, and the National Program office personnel
 - Terminology
 - The Technical Support function of supporting field inspectors by providing consistent quick responses to technical questions

- How to use the existing guidance material and sort out the conflicting information with regard to SUPs
- Requirements to train the ACO personnel in the revised process that would be used to determine part criticality and how the classification of part criticality would be used.

Interim training would be directed at all AFS maintenance inspection personnel, all AIR personnel, and supervisory and management personnel. Training also should be available to AGC and ACS personnel.

Some of the transition training can be delivered through a video presentation to ensure a quick dissemination of information required at the beginning of the transition period. In addition, the Task Force recommends that the FAA immediately produce an “Inspector Guide to Suspected Unapproved Parts.”

As part of an orientation program, Regional and Directorate SUPs Coordinators should be detailed for a brief period to work in the new SUPs Program Office after it is established. This would provide an immediate understanding of the new office functions by the coordinators and encourage teamwork between the field offices and the national office.

8. ***Information Systems*** — Until the new PRS is implemented, the current SUPs database should be maintained and improved as planned. Some improvements have been completed, including adding new fields and updating the data entry screens. Also, approximately 80 percent of the redesign of the SUPs form has been accomplished. These enhancements to the current system should be completed during the transition phase, since they can be directly used in the new system. Also, as soon as possible, the FAA should initiate a user requirements study to define the data and system requirements for the new PRS as the first step in implementing the new information system. The user requirements analysis should include consideration of the needs of law enforcement agencies and the aviation industry.

10.2 Implementing the Principal Recommendations

The Task Force reviewed the recommendations and consolidated them into a set that represents its principal subjects of concern. The Task Force then developed a collective opinion as to the relative priorities and the office that would be primarily responsible for ensuring that the tasks associated with each

recommendation are completed on schedule, and what priorities that office should have. There may be one or several other offices involved in the implementation; however, only the office of primary responsibility was identified.

The task force also estimated time periods and/or key milestones for the principal recommendations. In some cases, such as rulemaking, a realistic timetable is measured in years; however, it is important to note that the estimated end date may or may not be a reflection of priority. Priority is a measure of relative importance rather than a measure of how quickly a recommendation can be implemented.

The results of the Task Force's analysis of the recommendations is shown in the following figure.

Figure 10-1 IMPLEMENTATION SCHEDULE FOR PRINCIPAL SUPs TASK FORCE RECOMMENDATIONS

Recommended Action	Office Responsibility	Relative Priority	FY 1996				FY 1997			
			1st	2nd	3rd	4th	1st	2nd	3rd	4th
			Immediate Steps: Receiving Inspection Campaign, Information	AVR	1	[Blue bar spanning 1st-4th quarters]				
Issue a SUPs Policy Statement	AOA-1	1	▲ ASAP							
Establish a National Office	AVR	1	[Blue bar 1st-2nd]							
Develop SUPs with Law Enforcement Agencies	AVR-20	1	[Blue bar 1st-2nd]							
Issue Guidance Re: Terminology	AVR-20	1		[Blue bar 2nd-3rd]						
Expedite Rulemaking Re: Fraud (Final Rule)	AGC-200	1	[Blue bar 1st-2nd]							
Expedite Rulemaking Re: Recordkeeping (Final Rule)	AFS-300	1	[Blue bar 1st-2nd]							
Notify Law Enforcement Agencies of SUPs	AVR-20	1		[Blue bar 2nd-4th quarters FY 1996, 1st-4th quarters FY 1997] On Going						▶
Training for Inspectors (In Conjunction with Guidance)	AVR-20	1		[Blue bar 2nd-3rd] Transition Training			[Blue bar 1st-2nd] Formal Training			
Set SUPs as Priority (AIR & AFS) Then Add "R" Item	AFS-1, AIR-1	1	[Blue bar 1st-4th]							▶
Amend FAR to Require SUPs Reports	AVR-20	1	[Blue bar 1st-4th]							▶ Q1 FY 1999
Parts Reporting System	AVR-20	1		[Blue bar 2nd-3rd] Requirements Analysis			[Blue bar 1st-4th] System Development & Implementation			
Establish Procedure to Remove "Unapproved Parts"	AVR-20	1		[Blue bar 2nd-3rd]						
Revise Guidance Material Re: § 43.13, Use of Parts	AGC-200, AFS-300	2	[Blue bar 1st-2nd]							
Revise Draft AC Re: Undocumented Parts	AFS-300, AIR-200	2		[Blue bar 2nd-3rd]						
Revise Guidance Material Re: § 43.13, Fabrication of Parts	AFS-300	2		[Blue bar 2nd-3rd]						
Procedure to Centralize Records	AVR-20	2		[Blue bar 2nd-4th quarters FY 1996, 1st-4th quarters FY 1997] On Going						▶
Revise Advisory Material Re: IFCA	AIR-100, AFS-300	3	[Blue bar 1st-2nd]							
Review Scrap Parts Issue	AIR-200	3	[Blue bar 1st-2nd]							
Increase Maximum Penalties	AGC/AVR	3		[Blue bar 2nd-4th]						▶ Q1 FY 1999
Legislation on Parts Seizure	AGC/AVR	3				[Blue bar 3rd-4th]				▶ Q1 FY 1999

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APPENDIX A — FAA SUPs Task Force Members

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APPENDIX B — Selected Recent Initiatives

Suspected “Unapproved Parts”

(Note: Certain items described in this appendix also appear in Appendix C of this Program Plan, which analyzes the potential need for revisions or cancellations of Federal Aviation Administration (FAA) guidance and advisory material.)

- Advisory Circular (AC) 21-29, *Detecting and Reporting Suspected Unapproved Parts*, (issued August 1991; revised July 1992 to introduce FAA Form 8120-11, *Suspected Unapproved Parts Notification*). (Draft revision under review.)
- FAA Order 8000.74, *Approved Parts Seminars*, 1993-1994 (150 conducted), to increase awareness in the public and industry of the need to ensure that only FAA-approved parts are installed on type certificated products. Other educational programs include a brochure, a decal with the Aviation Safety Hotline telephone number, and a widely-distributed 20-minute videotape.
- FAA Order 8120.10, *Suspected Unapproved Part Program* (September 28, 1993). Provides additional guidance to all FAA personnel in processing and investigating Suspected Unapproved Parts (SUPs) notifications.
- FAA Order 8130-21A, *Procedures for Completion and Use of FAA Form 8130-3, Airworthiness Approval Tag* (revised January 3, 1994). This Order provides guidance concerning the use of the revised Form 8130-3 for export approval, identification, and conformity determinations of products or parts thereof for production approval holders.
- AC 21-38, *Disposition of Unsalvageable Aircraft Parts and Materials* (July 5, 1994). Provides information to persons involved with the sale, maintenance, or disposal of aircraft parts, and provides guidance to help prevent unsalvageable parts and materials from being sold as serviceable parts.
- AC 21-20A, *Supplier Surveillance Procedures*, July 25, 1994. This AC addresses acceptable methods for Production Approval Holders to monitor their suppliers, and covers direct shipment procedures.

- Prototype SUPs database management system initiated in 1992, including data for 1989 forward, and final programming changes implemented in September 1994.
- AC 20-62C, *Eligibility, Quality, and Identification of Approved Aeronautical Replacement Parts*; (August 26, 1976); proposed draft AC 20-62D, August 1, 1995. The AC provides guidance for the installation of such parts on type certificated products, and information to enable compliance with applicable regulations.
- FAA Order 8120.XX, *Disposition of Unsalvageable Aircraft Parts and Materials*, currently in draft form, would provide information to FAA personnel who deal with industry persons involved with the distribution, sale, maintenance, or disposal of aircraft parts and materials. This guidance would assist FAA personnel in preventing unsalvageable aircraft parts and materials from being distributed and sold as serviceable parts and materials. The draft also contains guidance for actions to be taken if unsalvageable parts or materials are found in parts inventories.
- Parts Approval Action Team (PAAT) established under Notice N8110.44, September 25, 1992 (also Notices 8110.45, *Parts Manufacturer Approval Under Evidence of Licensing Agreement*, and 8110.51, September 25, 1992; *Parts Manufacturer Approval by Identity*, May 13, 1994) to conduct a three-phase program to develop policy and procedures to expedite approval of Parts Manufacturer Approval (PMA) applications; address problems with manufacturers unable to show evidence of a licensing agreement but whose parts were identical to “approved parts;” and develop policy for evaluating the acceptability of aircraft parts existing within civil inventories that lack acceptable documentation. Draft AC 20.XX, under development, would address acceptable methods for air carriers and repair stations to develop systems for making a determination of conformity or acceptability of aircraft parts at a receiving inspection and for current inventories when parts documentation is insufficient to establish that the parts were manufactured in compliance with Title 14 Code of Federal Regulations (14 CFR) Part 21, or were previously determined to be airworthy in accordance with 14 CFR Part 43.
- *Federal Register* Notice, February 27, 1995, 14 CFR Part 21, Replacement and Modification Parts, Enhanced Enforcement. FAA Notice 8120.17, Procedures for processing applications for parts for a PMA as a result of *Federal Register* Notice of February 27, 1995.
- Department of Defense/FAA Joint Process Action Team (PAT), plan adopted July 1995 to address the identification, disposition, and control of flight safety critical aircraft parts in connection with surplus military parts.
- *Maintenance Recordkeeping Requirements* Notice of Proposed Rulemaking (NPRM), under development by the FAA Aviation Rulemaking Advisory

Committee (ARAC). This proposal would standardize maintenance recordkeeping requirements and facilitate the transfer of aircraft, airframes, aircraft engines, propellers, appliances, components, and parts among owners, operators, manufacturers, and maintenance facilities, by requiring manufacturers to provide initial certification records, and by ensuring that standardized data sufficient to document maintenance, preventive maintenance, rebuilding, or alteration are retained and transferred.

- *FAA Part 145 Review: Repair Stations NPRM*. This NPRM, currently under development by the FAA, would propose revisions to 14 CFR Part 145 and reorganize and update the repair station rules. The proposal also would establish new requirements for repair stations, including manual requirements, recordkeeping, and personnel. The proposal would add a new requirement that repair stations' incoming inspection systems provide for inspection of raw materials and articles to ensure acceptable quality and, where applicable, conformity with type design data.
- False and misleading statements regarding aircraft parts: FAA rulemaking project to prohibit any person from misrepresenting the acceptability of a part for use in a civil aircraft. The rule would extend the prohibition on fraudulent or intentionally false statements beyond those now covered by 14 CFR Parts 21 and 43.
- ARAC Parts Working Group. This group will provide definitions for standard part and commercial part, and develop guidance for third-party accreditation of production systems for producers of such parts (draft documents under development).
- FAA Notice 8120.XX, Revised FAA Form 8120-12, *Suspected Unapproved Parts (SUP) Status Report*, and Additional Investigation/Enforcement Guidance. The Notice, currently in draft form, would introduce the new SUP reporting form and instructions for completing the form. The Notice also would provide guidance to FAA personnel for investigating SUP allegations at entities that do not hold FAA manufacturing or maintenance authority, and for removing unsafe parts from service. The revision of the SUP reporting form would simplify SUP reporting, improve the usefulness of collected data, and discontinue the collection of data that add no value to the SUPs program.
- Draft AC 20-AIR-DU, *Voluntary Industry Distributor/Dealer Accreditation Program*, notice of availability of proposed AC published in the *Federal Register* July 7, 1995. This draft AC describes an industry-administered system for voluntary accreditation of parts distributors to improve quality controls and part traceability in that sector of the aviation industry.
- FAA Suspected Unapproved Parts Policy Planning Meeting, Seattle, Washington, April 13-15, 1995, to discuss policy concerns and suggest ways of improving the SUPs program. The meeting was attended by

47 representatives of the Aircraft Certification Service, Flight Standards Service, Civil Aviation Security, and Office of the Chief Counsel. Recommendations addressed regulations, policy, management and organization, training, process, communications, and data.

- FAA Suspected “Unapproved Parts” Task Force Program Plan: Report due October 1995. Special Task Force assembled to thoroughly review the issue of unapproved aircraft parts and to submit a report evaluating the agency’s efforts to prevent any potential risk to aviation safety, and make recommendations to further improve the program’s efficiency.

APPENDIX C — Related ACs, Orders, and Memoranda

TYPE OF DOCUMENT	REFERENC E	TITLE OR SUBJECT	RECOMMENDED ACTION		
			NO CHANGE	REVISE	CANCEL
Existing AC	21-29A 21-19A	Detecting and reporting SUPs			X X
Draft AC Revision	21-29B	Draft Revision to AC 21-29A		X	
Existing AC	20-62C	Eligibility , Quality, and Identification of Approved Aeronautical Replacement Parts			X
Draft AC Revision	20-62D	Draft Revision to AC 20-62C		X	
Existing AC	21-38	Disposition of Unsalvageable Parts		X	
Draft AC	20-XX	Disposition of “unapproved parts” (PAAT-III)		X	
Proposed AC	20-DU	Distributor Accreditation Program	X		
Existing AC	21-20A	Supplier Surveillance Procedures			X
Draft AC Revision	21-20B	Supplier Surveillance Procedures (Ref: AC 21-20A)	X		
Existing AC	21-303.1A	Certification Procedures for Products & Parts		X	
Existing AC	21-41A	Substitute Technical Standard Order (TSO)	X		
Existing AC	20-114	Manufacturer’s Service Documents	X		
Existing AC	21-13	Standard A/W Cert. of Surplus Military Aircraft & Aircraft Built from Surplus Parts		X	
Existing AC	21-303.2H	PMA (Update)		X	
Existing AC	43-9B	Maintenance Records		X	
Existing AC	43-9.1E	Instructions for Completion of FAA Form 337		X	
Existing AC	43-17	Practices Governing Identification Data and Data Plates	X		
Memorandum	AIR-200	Guidance Memo #95-3 Re: SUPs, 3/1/95		X	
Memorandum	AGC-200	Definition of “owner-produced” part, 8/5/95		X	
Memorandum	AIR 100/200	Definitions- Standard/Commercial Part, 1995		X	
Memorandum	AFS-300	Part Manufacturing, 5/15/95		X	
Handbook Revision (Draft)	Order 8300.10	Maintenance versus Manufacturing, 1/3/95 AFS-300		X	
Existing AC	21-303	Replacement and Modification of Parts (FSAW 95-07), 6/2/95		X	

Appendix C — SUP-Related ACs, Orders, and Memoranda (Continued)

TYPE OF DOCUMENT	REFERENC E	TITLE OR SUBJECT	RECOMMENDED ACTION		
			NO CHANGE	REVISE	CANCEL
Memorandum	AIR-1	Enforcement of 21-303, 3/30/95		X	
Existing Order	8120.10	Suspected Unapproved Part Program		X	
Existing Notice	8110.54	PMA Under Licensing Agreement	X		
Existing Notice	8110.55	PMA by Identity (PAAT-III)		X	
Existing Order	8110.42	Parts Manufacturer Approval Procedures	X		
Draft Order	8120.XX	How to meet the intent of AC 21-38		X	
Existing Notice	8120.17	Procedures for Processing Application for PMA (Ref: Orders 8110.42 & 8110.55)		X	
Order	8130.21A	Procedures for Completion and Use of 8130-3 Approval Tag			X
Draft Order	8130.21B	Procedures for Completion and Use of 8130-3 Approval Tag		X	
Draft Notice	8120.XX	Revised FAA Form 8120.12 SUP Status Report		X	
Order	8000.50	Repair Station Production of Replacement or Modification Parts	X		

Note: Specific recommendations for how to revise the documents listed above would be developed by the policy organizational element of the new National SUPs Program Office

APPENDIX D — SUPs Investigation Procedures

This appendix enumerates steps in conducting suspected “unapproved parts” investigations. The Suspected “Unapproved Parts” (SUPs) investigation procedures outlined here are not intended to be an exhaustive procedures manual, but they may serve as a basis for later development of inspector guidance and training.

The initial steps of an Federal Aviation Administration (FAA) SUPs investigation depend on the source of the initial report. If a SUP is discovered as part of surveillance activity by an inspector, the following would be the first two steps taken:

1. Provided that sufficient information exists, initiate a SUPs report through the Parts Reporting System database and information system.
2. Contact the Regional/Directorate SUPs Coordinator and obtain assistance in determining if there is an ongoing law enforcement or FAA-related activity that the inspector should be aware of before an investigation proceeds.

If the SUP is reported to the FAA, the FAA National SUPs Program Office would coordinate assignment of the case to the appropriate local office through the regional/directorate SUPs coordinator. When the responsibility for an investigation is assigned to an office, the following information would also be sent to that office:

- Basic SUPs identifying information
- Whether there is related FAA activity, and if so, what are the pertinent details
- Law enforcement interest and/or related activities
- Other FAA offices that should be involved
- Initial case priority
- Part criticality, if known.

In determining how to initially assign a case or, if necessary, transfer responsibility for a case, the National SUPs Program Office would consider the nature of the part. If the part is new and does not appear to be damaged or altered, the case investigation would be assigned to an inspector of the appropriate local Manufacturing Inspection District Office (MIDO). If the part is in service, has been in service, or has been repaired or altered, the case

investigation would be assigned to an inspector of the appropriate local Flight Standards District Office (FSDO).

Case Priority

To conduct investigations in a timely manner, have a clear understanding of the implications of the investigation results, and provide answers to management questions, the proposed FAA National SUPs Program Office should

- 1) prioritize initial work effort to get the investigation off to the correct start, and
- 2) establish case significance upon completion of the investigation.

The FAA Task Force developed recommended procedures in connection with establishing case priority. Using the definitions in Appendix 5 of Order 8120.10 (until the proposed National SUPs Program Office defines other guidance), the Program Office would establish the initial case investigation priority. Thus, this determination would be made at a national level rather than at the local level. Part criticality would not specifically be determined at this stage unless that information already is contained in the Parts Reporting System database; however, the Program Office would establish the **initial case investigation priority** based on all applicable criteria in Order 8120.10.

The National SUPs Program Office would use part criticality, as determined by the appropriate Aircraft Certification Office, along with other information available at the end of the investigation, to determine the SUP case significance. This **case significance** would essentially be a final determination, useful for management and trend analysis. In some cases, the ACO determination of part criticality may also reveal that the initial case investigation priority was inappropriate. In such cases, the Task Force considers that another designation, **current case status/priority**, would be necessary to reflect the current and best estimate of the case's priority. It is important that the FAA have the flexibility to designate the case priority based on available information, as long as such decisions are based upon consistent, clear, technical criteria. Information available at the beginning of a case may be quite limited. Confining such decisions to the purview of a national level office should help ensure that such decisions are based on consistent use of applicable guidelines. Furthermore, the initial case priority would never be change; it would remain in the database as the case's initial priority, even though the current priority might be different as a result of further information.

Conducting the Investigation

Once the initial SUPs report is filed, the case is assigned, and appropriate interested parties are notified through the SUPs management information system (or, through any interim established by the National SUPs Program Office), the inspector would conduct the investigation as follows:

1. Conduct the preliminary investigation to verify as much of the initial information as possible. Based on guidance material that would include indicators of fraudulent activity (material to be supplied by the DOT/OIG and other law enforcement agencies), the inspector would seek to determine whether criminal activity may be involved. Emphasis also would be given to identifying the part or parts involved in as much detail as possible.
2. Provide information, such as a verified part number, to the Technical Support element of the National SUPs Program Office to help the Program Office facilitate having the appropriate ACO determine or update part criticality. The Technical Support element would contact the appropriate engineering staff for this step. Any information provided to the inspector also should be sent to the Regional/Directorate SUPs Coordinator.
3. Develop an initial assessment of the safety impact to determine if the case priority should be modified. All initial determinations of safety impact, or updates and revisions, are made by the Technical Support organizational element. (At this point, however, only very limited investigations would have taken place and it may not be feasible to effectively assess the potential safety impact.)
4. If the inspector believes criminal activity may be involved or if there are any doubts as to how to proceed, the local investigating office would initiate a meeting, to include the Regional/Directorate SUPs coordinator, the Regional Office, the Technical Support element of the National SUPs Program Office, and others as required, to obtain clarification. The meeting may occur in person, via telephone, or via other means. Examples of questions that might be addressed through such communication include whether an administrative subpoena is appropriate and whether the inspector should seek to obtain the suspect parts. This would also be an appropriate forum to review the potential impact of the inspector's investigation on possible law enforcement actions in the case, or to decide whether to notify law enforcement.

Investigation Techniques

The initial question the inspector seeks to answer in a SUPs investigation is whether the part is approved or unapproved. If it is unapproved, the inspector will document how that determination was made. The objective then becomes identifying the source and tracking down the "unapproved parts" to eliminate the potential safety risk and to initiate enforcement action, if appropriate.

One of the first steps should be to review the suspect part's documentation. If this documentation is inadequate, the part should be treated as unapproved until shown otherwise. In addition to normally required documents and records, the following documents may help inspectors obtain necessary information to determine the status of a part or the extent of the problem, or they may be an indicator of attempts to misrepresent information:

- FAA Form 8130-3, *Airworthiness Approval Tag*
- An invoice or purchase order (this may provide insight into whether the price is reasonable relative to the typical market value)
- Maintenance records as required by 14 CFR Part 43, Part 145, or Part 91, or other operating regulations
- Conformity certifications (these are often provided by suppliers and generally are extremely vague and not a useful certification)
- Service Difficulty Report information and airline reliability program reports (these may be indicators of parts that are substandard).

Also of potential value is the known qualification of the person providing any certifications. A parts tag *per se* is not an acceptable document; the information on the tag must be sufficient. The inspector should also determine appropriate reference data (e.g., the related page of the Illustrated Parts Catalog) that should be copied.

The inspector must obtain precise information as to the identification of the part: the name of the manufacturer and the production authorization, if applicable; the part number; the serial number; modification status, and other descriptive information.

Inspectors should also be alert to the need to identify evidence that might be needed for subsequent enforcement action, and the options available for collection of that evidence. In many cases, the inspector may be able to obtain suspect parts simply by asking for them — the operator holding the parts may voluntarily hand them over. In other cases, an administrative subpoena can be obtained from the FAA Regional Counsel's Office to acquire the parts. It is important to pursue this issue early in the investigation so that parts that might be important to the case and subsequent enforcement action do not disappear. Inspectors should also bear in mind the need to keep photocopies of all potentially pertinent documents available.

If at this point in the FAA investigation the inspector knows that a concurrent law enforcement investigation is taking place or suspects criminal activity, the inspector should contact the appropriate law enforcement agency through the Regional/Directorate SUPs coordinator to inquire if that agency can assist the FAA in obtaining parts.

To ascertain how many parts of the suspect type are in the system, the inspector should check for the number of serviceable and unserviceable parts in inventory at the operator facility, and should check on aircraft in the operator's fleet for suspect parts that may have been installed. With assistance from other inspectors, the inspector should also check the immediate geographical area (e.g., other repair stations at the same airport). The Regional/Directorate SUPs Coordinator and the Technical Support organizational element of the National SUPs Program Office can help check other geographical areas.

To determine the whereabouts of the parts, it may also help to identify their source. Potential sources include PAHs; distributors or brokers; other operators including parts pools; maintenance organizations; owners who have produced parts for their own aircraft; nonaviation producers or suppliers; foreign sources; leasing companies; military surplus vendors; or vendors of parts from public-use aircraft not maintained in accordance with the Federal Aviation Regulations.

The Task Force found that, because SUPs cases so often cross disciplinary and geographic boundaries, constant communication is essential. The SUPs investigator should maintain regular communications with the local office management, the Regional/Directorate SUPs Coordinator, and the Technical Support element of the National SUPs Program Office, as the investigation proceeds. Specific reports to update the status of the investigation should be made under the following circumstances:

- Whenever there is a formal contact by a law enforcement agency, other than follow-up contacts after a cooperative relationship is established on a specific case. (This is not required for informal contacts; for example, for the purpose of addressing routine technical questions.)
- Whenever there is a significant change to the scope of the investigation (e.g., a new organization must be investigated).
- When the geographical boundaries of the investigated activity expand significantly.
- Whenever a significant event occurs that affects the case status.

Updating the database should be considered regularly; however, the Task Force decided against recommending a rigid requirement to update the database on a specific schedule. During the transition period, prior to full implementation of the proposed information system, this reporting should be accomplished via direct communication (telephone, electronic mail) with the Regional/Directorate SUPs Coordinator. Significant decisions regarding case assignment and priority should be made at the National SUPs Program Office level.

Final Report

The final SUPs investigation report, in addition to the information normally contained in an inspector's report of any alleged violation, should include or emphasize the following information:

- The traceability of a part from the original manufacturer through distributors (if any) or other users, to the final user
- The location and disposition of parts that were found to be unapproved
- Suggested additional related areas that should be investigated
- A record of internal and external coordination
- Any safety issues that might not be fully resolved
- A summary of communications with or notifications to industry
- Recommendations for follow-up actions (e.g., ADs and alerts).

APPENDIX E — Parts Reporting System Database

The SUPs Task Force identified the following list of items that the Parts Reporting System (PRS) must address:

- The part's level of criticality
- Any other SUPs history related to the part or organization (related SUPs case, Enforcement Investigative Report, etc.)
- Reference to information in the FAA policy system
- Manufacturer/repair authorization (e.g., PMA, TSO, direct ship authority)
- Distributor accreditation, in accordance with the AIR-DU initiative for voluntary distributor/dealer accreditation and quality control
- FAA responsible office
- Geographic history
- Related cases
- SUP case identification number
- SUP case investigation priority
- Status, suspense dates, and information regarding case schedules
- Alerts for messages to offices involved or that may be involved in the case.

Information requirements for reporting SUPs cases includes:

- **Reporter Information:** The name of the reporting individual (or anonymous) and whether or not confidentiality was requested. The telephone number where the reporting party can be reached, where they are employed, the person's position within the company, the company name and address, and whether or not the company is certificated.
- **Allegation Information:** The type of company (e.g. operator, manufacturer, distributor, broker, producer, repair station) and the nature of the allegation to include specific details on the part(s) name, part number, serial number, quantity, the application of the part (airframe, engine, propeller, appliance), the assembly and

subassembly, the Illustrated Parts Catalog reference, any other persons involved (names, key individuals), and any other companies (related or affected) involved.

- Administrative Information: This would include the date/time of the contact or call, any remarks, information on the person receiving the report, such as name, office, and telephone number.

Information needed for an investigator to begin the case investigation includes all information from initial report, plus:

- The tracking number (SUPs Investigation Case Number) for the case
- Any hotline cross-reference number (if applicable)
- Initial and current investigation priority levels (priority, normal)
- Any related information and cases (such as EIRs, other SUPs cases, accidents or incidents, SDRs, ADs, service bulletins, PTRS)
- Law enforcement interests (such as restrictions, limitations, and points of contact)
- Assignment of action office
- Information regarding the investigating official (such as name, office, and telephone number)
- The part criticality (as determined by the applicable ACO after the part number has been confirmed)
- The applicable offices of interest (such as the ACO, directorate, region) and any required tracking or suspense dates.

The information an investigator should submit regarding the investigation includes the information required to initiate the investigation, plus:

- A record tracing each part (by such items as the purchase order, buyer/seller, the invoice number, the price, quantity, and life limit status)
- A determination of approval status of each part
- The disposition of the parts
- Information regarding the tracking of each part through the system to its current location
- Any additional areas identified for investigation

- Any notifications (such as to operators, owners, certificate holding district offices)
- Any action(s) taken
- Any corrective action follow-up
- Whether or not there were any safety issues (by specifically answering “Did a potential safety problem exist?” and “Does a potential safety problem remain?”)
- A record of the chronology of all key events
- Any authorizations involved (such as PMA/PAH/manufacturer/Repair Station)
- The industry segment affected by Federal Aviation Regulation Part
- The current status of the investigation
- When the investigation is complete as far as this office is concerned.

The requirements for region/directorate and national headquarters include all of the information reported by the investigating official, plus:

- Summary data (such as open vs. closed cases, geographical distribution of cases, distribution by notification sources, cases sorted by the companies or persons involved)
- Suspenses (case milestones)
- Compliance or safety issues
- The current case status
- Part criticality determination
- The amount of resources expended
- The ability to conduct analysis (including development of automated analytical tools)
- Any follow-up notifications (such as to the reporter, if requested)
- Any sanctions as a result of enforcement actions
- Information or maintenance follow-up to industry resulting in Service Bulletins or their equivalent
- Airworthiness Directives
- Alert bulletins

- Action notices
- Referrals to criminal investigative or law enforcement agencies
- Public access to closed cases
- Outside agency interfaces
- Status and requests
- Any reassignment of cases to include multiple offices involved
- The disposition of any “unapproved parts”
- FAA case completion
- Case closure.

APPENDIX F — Parts Receiving Policy

The FAA Suspected “Unapproved Parts” Task Force reviewed guidance material pertinent to development of a parts receiving policy. The Task Force reviewed FAA Order 8300.10, *Airworthiness Inspector’s Handbook*, regarding parts receiving and incoming inspections for air carriers operating under 14 CFR Parts 121 and 135, and for repair stations operating under 14 CFR Part 145.

Guidance material was found for air carriers operating under Part 121, and for air carriers operating aircraft with 10 or more passenger seats under Part 135, in Chapter 63 of the Handbook, “Evaluate FAR Part 121/135.411(a)(2) Company Manual/Revision” (page 63-6). Chapter 164, “Evaluate FAR Part 145 Inspection Procedures Manual/Revision” discusses a Part 145 repair station manual and incoming inspections in considerably more detail. The Chapter 164 discussion references AC 145-3, *Guide for Developing and Evaluating Repair Station Inspection Procedures Manuals* (February 13, 1981). The Task Force recommends that the information contained in Chapter 164 and AC 145-3 be combined and added to the guidance of Chapter 63 for air carriers to also include operations manuals for air carriers operating under Part 135 with nine passenger seats or less.

The following items should be considered:

1. The manual (General Maintenance Manual or Inspection Procedures Manual) should explain how the incoming inspections are recorded.
2. The manual should indicate by title the person responsible to perform this inspection.
3. A detailed description of acceptable documentation should be included in the manual. (An effective way to present this information is through a discussion of what would or would not constitute adequate documentation in different cases.)
4. The manual should describe the action to be taken when materials/parts received do not meet specifications, how they are identified, controlled, and, when applicable, reported to the SUPs national database or its proposed successor Parts Reporting System.
5. The manual should include a system or method for the following types of incoming inspections of articles and/or materials:
 - (a) New items from the manufacturer, for —
 - Shipping damage

- Traceability of life limits, if applicable
 - Identification and tagging of parts to manufacturer's invoice.
- (b) Overhauled or repaired parts from an approved agency for —
- Shipping damage
 - Traceability of life limits, if applicable
 - Traceability of overhauled recorded and/or maintenance release tag.
- (c) Items sent out for contracted maintenance functions for —
- Shipping damage
 - Conformity to specifications (FAA and manufacturer's), to include type of material and state of preservation
 - Airworthiness status including ADs and traceability of life limits, if applicable
 - Functional test, if applicable.

NOTE: If there are indications that a part was involved in an aircraft accident, special incoming inspections will be required in conjunction.

APPENDIX G — List of Recommendations

The following is a list of recommendations contained in this SUPs Task Force's Proposed Program Plan. The recommendations in this list are numbered in the order in which they appear in the document.

1. Pending implementation of the Proposed Program Plan, the FAA should take immediate steps to target receiving inspection control systems of airlines and repair stations, and PAH supplier surveillance in a special emphasis campaign for surveillance and enforcement, as well as provide immediate dissemination of information regarding parts usage and the role of quality control systems and receiving inspections in screening out SUPs.
2. The FAA should issue a policy statement reaffirming a clear FAA commitment to eliminate “unapproved parts” from the aviation system.
3. Add a “required item” to the AFS National Work Program (National Program Guidelines) for SUPs surveillance and make SUPs surveillance a “special emphasis” item for the manufacturing inspection program. This addition should be made to the fiscal year 1997 program, although AFS and AIR should direct that SUPs receive equivalent priority in the fiscal year 1996 programs.
4. The FAA should adopt definitions of the following main terms used with regard to parts eligible for installation in type certificated products to ensure that use of the terminology in government and the public is consistent and promotes a common understanding and use of the concepts: “approved part;” “unapproved part;” standard part; and counterfeit part. Such definitions are intended for the purpose of this Proposed Program Plan as well as for the purpose of future respective guidance documents and for colloquial use, as opposed to legal definitions. Hence, the Task Force does not recommend regulatory changes to adopt the definitions.
5. The FAA should take immediate steps to establish a National SUPs Program Office to develop, coordinate, and disseminate SUPs policy, and to provide technical support related to SUPs. This office also would maintain an information management and analysis system for the SUPs program.
6. The Federal Aviation Regulations should be amended to require any person (including organizations and individuals such as mechanics) who discovers suspected or known “unapproved parts” to report such parts to the FAA. An exception to this requirement should be made for properly documented parts that lack required maintenance but are controlled in such a way as to ensure that the necessary maintenance or other appropriate steps are accomplished before the parts are placed in service.

7. The FAA should expedite implementation of, and then vigorously enforce the draft regulatory project that would prohibit any person from making fraudulent or intentionally false statements involving a record that represents the acceptability of any aircraft product, part, or material for use in civil aircraft.
8. The FAA should expedite implementation of, and then vigorously enforce the draft regulation that would address maintenance recordkeeping requirements.
9. Issue an AC or revise an existing AC explaining how mechanics, airlines, and repair stations may comply with the requirements of 14 CFR § 43.13(b). Also, consider a legal interpretation or, if necessary, additional rulemaking to further clarify the FAA's belief that the person responsible for installing a part must be able to show how that person determined that the part was eligible for installation and that it was the correct part for that application.
10. The FAA should issue or revise advisory material to clarify for industry the conditions under which maintenance personnel may fabricate parts for repairs or alterations, and the conditions in which they must apply for a PMA for parts production. If a person produces parts for sale without a required PMA, the FAA should take appropriate enforcement action.
11. The FAA should continue its support for the development of an effective Aerospace Industry Regulation of Distributors (AIR-DU) program of voluntary accreditation for distributors.
12. FAA procedures and related guidance and training should be upgraded to emphasize the importance of thorough SUPs investigations, with attention to the potential scope of the problem, collection of evidence, indicators of fraud or other criminal activity, and adequate documentation.
13. Investigative procedures followed by FAA inspectors should be revised to ensure that all necessary steps are taken to address SUPs on a system-wide basis, with proper coordination between local, Regional/Directorate, and national offices, as well as with the DOT/OIG and other law enforcement authorities, if appropriate.
14. The FAA should encourage legislative action to obtain authority to seize and destroy counterfeit parts, apart from any criminal proceedings.
15. The FAA should encourage legislative action to increase the maximum civil penalty for persons other than air carriers, to which the higher maximums already apply, to \$10,000 per violation.
16. The FAA should review the application of and enforce requirements for inclusion of IFCA in type certification regulations. The FAA should revise

advisory material to clarify that 14 CFR §§ 21.303(d) and 21.50(b) require holders of PMAs to furnish IFCA.

17. The Task Force supports efforts to develop harmonized forms and recommends that AVR instruct FAA members of the FAA-JAA Working Group to seek to have the harmonized JAA Form 1 the same as the FAA Form 8130-3.
18. The Task Force endorses the objectives and concepts embodied in the draft AC that address methods for determining the acceptability of parts that have insufficient documentation (AC 20.XX, *Determining Disposition of Undocumented Parts*); however, it believes that the definition of Group A parts could be problematic. Consequently, the FAA Working Group developing this AC should reconsider its method for grouping parts.
19. Revise Order 8120.10, *Suspected Unapproved Part Program*, with particular attention to the definition of part criticality, and adopt procedures under which the National SUPs Program Office will coordinate with the appropriate ACO for the purpose of determining “part criticality.”
20. The Task Force believes that the Department of Defense (DoD)-planned steps and the procedures contained in draft AC 20-XX adequately address the SUPs problem, and recommends that the National SUPs Program Office monitor the DoD/FAA Program to ensure that it is compatible with the FAA SUPs Program. If the program is not implemented in a timely manner or consistent with the current plan, the Task Force recommends that the FAA develop specific policy and procedures to minimize the threat posed by surplus military parts.
21. The SUPs investigation process should explicitly require that all field office case files be transmitted to the Regional/Directorate SUPs Coordinator for consolidation (if necessary) and then transmitted to the Data and Analysis organizational element of the National SUPs Program Office. Appropriate guidance material and training should reflect this procedure.
22. The FAA should take necessary steps to ensure that once aviation parts are classified as “salvageable,” they are properly controlled, and that “scrap” parts are destroyed to prevent their re-entry into the aviation system.
23. Establish a procedure for removal of “unapproved parts” from aircraft parallel to the current MEL process for parts with a criticality level of 1 or 2 that are listed on the current MEL for a specific aircraft. For parts with criticality level of 3, establish an Administrative Control Item, as defined in the preamble and definitions in existing MEL documents. “Unapproved parts” that may be in the inventory and not on aircraft should be removed from the inventory and segregated to preclude access by personnel that may inadvertently install an “unapproved part.” These new processes should be formally incorporated into operators’ maintenance manuals.

Guidance should be developed for distribution to the industry and FAA field offices that defines the details of this process as well as the level of acceptance required by the FAA.

24. Immediately initiate an abbreviated user requirements study and functional systems requirements analysis so as to more fully develop user and functional requirements for a Parts Reporting System (PRS). Proceed with system design, development, and implementation. Explore the feasibility of sharing cost/design functions with other agencies with a critical interest in a national PRS and define the requirements for and establish a bulletin board system for public access.
25. The FAA should clarify their intended working relationships with law enforcement agencies, and facilitate these agencies' access to the FAA, as well as FAA access to law enforcement agencies, while maintaining appropriate coordination with the FAA Office of Civil Aviation Security and the DOT/OIG.
26. The FAA should work with law enforcement agencies to develop and maintain standard operating procedures that would facilitate working relationships between FAA inspectors and those agencies, recognizing the importance of both law enforcement and aviation safety protection.
27. The FAA should provide timely, simultaneous notification of SUPs cases to all interested law enforcement agencies, and the memoranda of understanding with those agencies should address when law enforcement agencies should notify the FAA of SUPs cases they are pursuing in recognition of the FAA's safety responsibilities.
28. Provide interim SUPs policy and procedures training to AIR and AFS maintenance inspectors and other personnel. Deliver this training via electronic means to ensure rapid delivery and supplement it with publication of a comprehensive "Inspector's Guide to Suspected Unapproved Parts."
29. Begin immediately to develop the formal, more detailed training element of SUPs policy and procedures for implementation concurrently with the establishment of the National SUPs Program Office, and follow up with the DOT/OIG, DCIS, and the FBI to obtain training offered by those agencies for FAA inspectors.
30. Based on formal training courses, develop computer-based instructional programs and make them available to inspectors at their local offices for use in reinforcement training.

APPENDIX H — Task Force Charter Items

Program Plan Cross-Reference Guide

The Task Force’s Charter items are addressed in the Program Plan document as follows:

To define a uniform system of terminology to be used by all FAA personnel when dealing with SUPs.	Section 3.0
To develop organizational processes or structure that support effective surveillance and enforcement of SUPs.	Section 4.0
To suggest rulemaking or policy guidance that would assist in the surveillance and enforcement process.	Section 2.0, Section 5.0
To identify significant technical issues that require resolution which are currently impacting SUPs.	Section 6.0
To define roles, responsibilities, and working relationships with other law enforcement.	Section 8.0
To assess data and information needs to support SUPs processes.	Section 7.0
To supplement the current training program with SUP training for AIR and AFS inspectors.	Section 9.0
Prioritize all recommendations according to their impact on reducing the safety impact of SUPs.	Section 10.0

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