



News from the Hill

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Make Money in Las Vegas with AEA!

This month's column addresses two topics: 1) saving a buck in the hazmat realm (even if you don't think you deal in hazmats); and 2) new standards for Service Difficulty Reports from repair stations.

How many times have you heard about someone who went to Las Vegas and made a bundle? Want to be one of those people? Attendance at this year's AEA Annual Convention can be like money in your pocket.

Forget about the deals you will make at the convention. Forget about the new contacts you will make. Forget about the new product lines being introduced that your customers will be itching to buy. AEA can still save you hundreds of dollars just in one day! AEA will be offering a hazardous materials training class (comparable value is \$1,100 per student) that meets the existing regulatory requirements that apply to repair stations. Your full convention registration fee covers this class.

The maximum fine for hazmat violations has recently increased to \$32,500 per violation. Most hazmat issues involve the violation of more than one technical standard so it is not unusual to see proposed civil penalties in the hundreds of thousands of dollars, or even millions of dollars! Training can easily help avoid these fines ... without proper training the question is when, not if, you will be fined.

Many AEA members with hazmat issues on site are unaware of them. This is true for a variety of reasons—one is that some issues seem so minor that the violations are truly technical (remember that any amount of hazmat—even a residual vapor—can trigger the legal requirements for hazmat violation and lead to big fines). Another is that some hazmat subject areas include significant exceptions or exemptions. There are significant exceptions that apply to shipment of batteries and that can make them appear to be unregulated, for example; even batteries have to be packed the right way for shipment or else the exception might not apply (which can turn a minor transaction into a major civil penalty).

The FAA has issued a number of notices and guidelines about hazmat as it applies to repair stations. The Maintenance Division issued a handbook bulletin that announced all repair stations were presumed to be hazmat employers. One notice concerning batteries in equipment provides warnings about the dire consequences of electronic equipment with batteries that is transported by air (such batteries must be protected from accidental discharge during transport).

Because some AEA members have been unaware of the hazmat transportation issues surrounding their work, they have failed to get the train-

ing they require. Failure to train is a regulatory violation that can cost a company \$32,500 per hazmat employee! That's true even if you don't violate any other regulations.

Hazmat training through other trade associations can cost over a thousand dollars per employee—AEA is underwriting the cost of the session. To attend, you must be registered for the convention. Most courses cover everything but the kitchen sink—our course is specific to the issues that AEA members have identified. Other courses take up to a week to complete—AEA's course is only one day long, because we realize how valuable your time is.

The AEA training class will be held on Monday, March 29 from 8 a.m. to 4 p.m. (during Fast Trak Sessions). Plan to arrive in Las Vegas early enough to attend the entire program, because there will be a test at the end (really!) and successful completion of the course will meet the existing training requirements of the hazmat regulations. We will be sending certificates to the successful course graduates.

Service Difficulty Reporting

Two final rules published on December 30, 2003 have amended and clarified the requirements governing the submission of service difficulty reports (SDRs) to the FAA by repair stations. One rule postpones the effec-

tive date of certain amendments to the SDR regulations found in Parts 121, 125, 135 and 145 of the Federal Aviation Regulations to January 31, 2006. The other rule modifies the wording of 14 CFR 145.221 to clarify that repair stations need only report "serious" failures, malfunctions, or defects and introduces some technical corrections necessitated by the postponement of the first rule.

Service difficulty reports, or SDRs, provide the FAA with airworthiness statistical data necessary for planning, directing, controlling and evaluating certain assigned safety-related programs. The FAA analyzes SDR data in order to rapidly disseminate defect trends, problems, and alert information that could pertain to future aviation safety issues to appropriate segments of the aviation community and the FAA. The engineering offices within the FAA also use the data for evaluation of problems for potential use in preparing Airworthiness Directives (ADs). FAA inspectors use the data as part of aircraft safety inspections. National Transportation Safety Board (NTSB) and the FAA's Office of Accident Investigation also draw on this data to support investigations into accidents and incidents. The data also finds use in Aviation Safety and Accident Prevention programs. In addition, there are numerous requests for SDR data from the media and the legal community. Foreign countries and branches of the U.S. military services use the SDR data for research.

Nevertheless, many air carriers and repair stations find the reporting requirement burdensome and of questionable value to their particular businesses. The rules require reporting of failures, malfunctions, or defects connected with a wide variety of operational activities or incidents, such as fires, engine flameouts, false alarms of fire or smoke, fuel leaks, the accumu-

lation or circulation of smoke or noxious fumes, landing gear or brake malfunctions, emergency evacuation system problems, or any other problem endangering the safe operation of the aircraft. In addition, the FAA requires reporting of structural defects such as certain types of corrosion, cracks, fractures or disbanding. SDRs must be submitted within 72 hours of discovery of the problem. Many carriers did not believe the benefit gained from the SDR system in terms of safety improvements was commensurate with the amount of effort and expense involved in compiling and reporting the data.

Further, there is some vagueness in the rule as it applies to a repair station. Because repair stations maintain articles and aircraft that have been damaged, there has long been a contentious issue about when the damage to a component must be reported under a SDR.

The re-write of Part 145 (which became effective January 31, 2004) combined the contents of the original two sections dealing with SDRs, 14 CFR 145.63 and 145.79, to create a new section 145.221, "Service Difficulty Reporting." The new section 145.221 introduced three additional changes. First, it standardized the requirements for reporting failures, malfunctions, or defects to apply to all certificated repair stations, regardless of location. Second, it replaced the phrases "serious defect" and "other unairworthy condition" with the phrase "failure, malfunction, or defect" (this made the language the same as the existing language for reporting requirements in other parts of the regulations). Finally, it included language that would allow repair stations to submit SDRs to the FAA in a format acceptable to the Administrator (permitting use of new media and data collection strategies).

These changes attracted numerous comments from the industry. One particular concern centered on the change in the language describing the types of problems that must be reported to the FAA. As a number of observers pointed out, the omission of the word "serious" in section 145.221(a) arguably requires repair stations to report all failures, malfunctions, or defects, regardless of severity. This would be likely to result in a huge flood of inconsequential reports and represent an unreasonable burden on both the industry and the FAA.

In the rule published on December 30, 2003, the FAA agreed that this was a problem. The FAA explained that the change had resulted when the agency standardized the language in section 145.221 to match language in parts 121, 125, and 135, which do not include the word "serious." The agency agreed to correct the omission in section 145.211(a) in order to preserve the original intent of the rule. □

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