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FAA Policy and Regulations:
A Perspective for Foreign-Owned Manufacturers of Civil Aircraft and Aircraft Parts in the United States
Organization of the U.S. Department of Transportation
Aircraft Certification Service

Focus

Set the Standards
Regulate it.

Type Certification
Design it.

Production/Airworthiness Certification
Build it.

Continued Operational Safety
Keep it Airworthy.
International Role of the FAA
(Title 49 U.S. Code § 40104)

The Administrator of the FAA shall encourage the development of civil aeronautics & safety of air commerce in & outside the United States.

The Administrator shall promote & achieve global improvements in the safety, efficiency, & environmental effect of air travel by exercising leadership with the Administrator’s foreign counterparts, in the International Civil Aviation Organization (ICAO) & its subsidiary organizations, & other international organizations & with the private sector.
Vision

FAA Strategic Initiatives
- Risk-Based Decision Making
- Workforce of the Future
- National Airspace System
- Global Leadership

AIR:2018 Key Focus Areas
- Safety
- People
- Organizational Excellence
- Globalization
AIR:2018 – Globalization

AIR provides leadership to achieve a consistent level of product safety across geopolitical boundaries.

STRATEGIC PRIORITIES

• Strong international relationships are in place with a network of partners.
• The full benefit of global manufacturing and seamless transfer of products and approvals is achieved through collaboration with international partners and industry.
• Safety initiatives are shared among international partners and promoted globally.
Bilateral Agreements provide the legal framework that facilitates the safe import and export of aeronautical products and articles.
Globalization

Supports our Design Approval Holders in obtaining approvals by other authorities when necessary

Streamlining acceptance of one another’s products even further

- Bilateral Agreements with 47 countries (28 in European Union)
- Working Procedures with 3 countries
AIR manages bilateral airworthiness agreements, including newer Bilateral Aviation Safety Agreements (BASA) with Implementation Procedures for Airworthiness (IPA).

- Argentina (BAA SIP)
- Australia (BASA IPA)
- Brazil (BASA IPA)
- Canada (BASA IPA)
- China (BAA SIP)
- Indonesia (BAA SIP)
- India (BASA IPA)
- Israel (BASA IPA)
- Japan (BASA IPA)
- Korea (BASA IPA)
- Malaysia (BASA IPA)
- Mexico (BASA IPA)
- New Zealand (BASA IPA)
- Norway (BASA)
- Russia (BASA IPA)
- Singapore (BASA IPA)
- South Africa (BAA)
- Switzerland (BASA)
- Taiwan (IPA)
- Single agreement with the EU includes all 28 member States.
  AIR also maintains legacy agreements with 14 of these member States.
  Additional Executive Agreements with Norway and Iceland, pending implementation procedures.
Global Aviation Environment

ICAO Annex 8 – Definitions

State of Design
The State having jurisdiction over the organization responsible for the type design.

State of Registry
The State on whose register the aircraft is entered.

State of Manufacture
The State having jurisdiction over the organization responsible for the final assembly of the aircraft.
Aircraft Design and Production: Yesterday

State of Design

Made in USA

State of Manufacture

State of Registry

State of Registry

State of Registry
Aircraft Design and Production: Today
Drivers of Change

Numerous external forces factor into AIR’s International strategy.

Globalization of Aviation

*Industry is made up of an international web of networks and complex business arrangements that are challenging our traditional regulatory model.*

- Separate SoD and SoM for aviation products
- FAA PAHs seeking PC extensions abroad
- FAA PAHs with multi-tier international suppliers
- Industry establishing complex business models

Velocity of Change

*Technological advances and business model changes are precipitating higher rates of change and increasing the need for organizational agility and adaptability as our environment changes.*

- International conglomerates and joint ventures
- Cross-border corporate acquisitions
- Growing number of SoD/SoMs

Industry Growth

*Industry expands and contracts much faster than the FAA can ever keep pace.*

- Evolving business models – Revenue sharing (risk sharing)
- States experiencing increase in aviation manufacturing expertise
- International maintenance, repair and operations (MRO)

Heightened Expectations

*The public, industry, and government entities continue to increase their expectations of us to do things faster and without error.*

- U.S. GAO audit outcome of FAA validation process
- Industry burden having to be responsible to multiple CAAs
## Foreign Production in the U.S.

<table>
<thead>
<tr>
<th>NON-U.S. State Of Manufacture (SOM)</th>
<th>U.S. State Of Manufacture (SOM)</th>
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<tbody>
<tr>
<td>Recaro Aircraft Seating America, Inc.</td>
<td>PC Bell Helicopter</td>
</tr>
<tr>
<td>Turbomeca, SA</td>
<td>PC Mitsubishi Heavy Industries</td>
</tr>
<tr>
<td>Dassault Aviation, Dassault Falcon Jet Corp.</td>
<td>Recaro Aircraft Seating ETSO</td>
</tr>
<tr>
<td>Airbus</td>
<td>PC applicant Agusta Italy</td>
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<td>PC Airbus Helicopters</td>
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<td>PC Embraer Executive Aircraft</td>
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**POA:** Production Organization Authorization  
**PC:** Production Certificate
Aircraft Certification Service
International Division, AIR-400

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Division Manager, Chris Carter
Assistant Manager, Sarbhpreet Sawhney
Questions?
BACK-UP SLIDES
BASA OVERVIEW

Background

• Since 1927, the United States has concluded bilateral agreements with other countries to provide for airworthiness.

• Bilateral relationships are longstanding.
  – 10 were originally developed in the 1930’s - 1950’s (Australia, Belgium, Canada, France, Germany, Italy, Netherlands, Spain, Sweden, United Kingdom)
BASA OVERVIEW

WHY DOES THE FAA HAVE BASAs?

• To facilitate and allow the authority of one country to work through their counterpart authority to support the development of teamwork and cooperation.

• To promote public confidence in the safety of the international air transportation system.
BASA EXECUTIVE AGREEMENT

• The Executive Agreement
  – Will be similar for all countries
  – It contains no technical guidance for working together
  – Has no practical effect on FAA’s activities without an IP.

• Purpose
  – To outline the general scope of regulatory activities that may be undertaken by each CAA for the reciprocal acceptance of findings or approvals.

• Signed by the U.S. Department of State and the Ministry of Foreign Affairs
  – The State Department has responsibility for this document. The lead within FAA is API.
**BASA-IMPLEMENTATION PROCEDURES (IP)**

- The purpose of implementation procedures:
  - document detailed procedures
  - define technical level working arrangements
  - define the exchange of services/rights that will be provided by each authority.
  - state obligations clearly to both parties.

- **FAA has responsibility for these documents.**
  - The lead is AVS.