



NPA 2010-09

**Contracting of continuing
airworthiness activities**

**(1st part – CAMO contracting tasks under its
quality system)**

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For records

Contracting of continuing airworthiness activities:

- ✦ was called rulemaking tasks M.014
- ✦ JAA inheritance

- The working group started working on July 2006.
 - ✦ 11 meetings were held
 - ✦ Composed of:
 - ➔ NAA representatives
 - ➔ Industry representatives

- NPA 2010-10 was published on 30 July 2010.
 - ✦ Consultation period is now extended until 30 December 2010



Abbreviations for the purpose of the 1st part

Deriving from regulation (EC) No 2042/2003 (amended by (EC) No 127/2010) and in particular Part-M:

- **CA:** Continuing Airworthiness
- **CAM:** Continuing Airworthiness Management.
 - ✦ Sometimes CAM tasks
- **CAMO:** approved Continuing Airworthiness Management Organisation (approved M.A. Subpart G organisation).
- **MAC:** analysis describing the 'Means of Active Control' in the case of CAM tasks contracted by the CAMO under its own quality system.



Feedback received by JAA / EASA

The Regulation permits some contracting of continuing airworthiness tasks by CAMOs to other approved or non-approved organisations, working under their quality system.

- However, it is considered that it does not reflect the practices which have existed within the industry for some years or the way the industry is developing (trends).
- Since the Regulation has had some time to mature it was considered that it was time to carry out a review to determine whether:
 - ✦ the current practices and the Regulation were aligned
 - ✦ there is a need for further regulatory material
 - ✦ safety is or may be compromised



STRUCTURE OF NPA 2010-09

1. Executive summary (pages 3/4/5)
2. Explanatory notes (start page 6)
 1. Part ONE – Contracting of certain CAM tasks by a CAMO (under its quality system) (bottom page 9 of the NPA) – **this morning** – Review of M.A.711
 2. Part TWO – Contracting by an operator involved in CAT of the CAM of its aircraft (pages 13-17) – **this afternoon** – Review of M.A.201(h)1
3. Regulatory Impact Assessment (start page 18)
 1. Part ONE (pages 19 to 23)
 2. Part TWO (pages 24 to 30)
4. The proposed changes to the rules (pages 31/120)
 1. Implementing rules (pages 31 to 52)
 2. AMCs/GMs (pages 53 to 120)



European Aviation Safety Agency

Generalities (1)

Current rules - starting point

M.A.711(a)3-Privileges

The CAMO may arrange to carry out limited CAM tasks with any contracted organisation, working under its QA system



Generalities (2)

Current rules - starting point

AMC/GMs associated to EC n°2042/2003:

AMC M.A.201 (h) (1) - A CAT operator (means also CAMO)

- may subcontract certain CAM tasks to competent persons or organisations under its quality system (should **actively control**) through a contract;
- Remains ultimately accountable for the CA of its aircraft, irrespective of any contract or approval held;
- **With the exception of engines and APUs, contracts would be normally limited to one organisation per aircraft type** for any combination of the activities described in Appendix II to that AMC;
- Appendix II to AMCs gives the feeling there is no limitation of tasks.

No AMC to M.A.711 §3(a) but AMC M.A.201 (h) (1) acts so...

- In addition M.A.711 §3(a) states that (sub) contracting must be **"limited"**



Generalities (3)

At the time the group started to work, two critical areas were immediately identified where there was a need for revisiting the rules:

1. When a CAMO (sub) contracts some CAM tasks to another organisation under its quality system, and in particular to another CAMO
(1st presentation)
2. Would it be possible for a CAT Operator (not approved as a CAMO) to contract the CAM to an approved CAMO? (not possible in accordance with current rules)
(2nd presentation)



Our roadmap for this MORNING.... 1st Part...

When a CAMO (sub) contracts under its quality system some CA tasks to another organisation...

1. Contracting versus subcontracting?
2. To what extend? Are there some limits? Which type of tasks? What is the essence of the CAMO and the meaning of "Airworthiness review"?
3. Can credits be given when the sub-contracted organisation is CAMO approved?
4. What is the meaning of "active control"? How "active control" is implemented?



Warning

Do we have to make a difference in terms of “operations”?

This first part of the NPA addresses the contracting of tasks by a CAMO (under its quality system), irrespective of the type of operations for the aircraft

It could be:

- ✦ General Aviation,
 - ✦ CAT
- Note: as a first consequence, it was decided to transfer the content of AMC M.A.201(h)1 into an AMC to M.A.711.



1. Contracting versus subcontracting



Sub-contracting versus contracting (1)

« **Sub**-contracting » is broadly used in current Ec n°2042/2003:

- ★ Originated from TGL 34 at the JAA times and transferred into Appendix II to AMC M.A.201(h)1
- ★ Intended to designate the contracting to a non-approved organisation working under the primary organisation's quality system.
- ★ Was confusing as it may also address an approved organisation working under the primary organisation's quality system



Sub-contracting versus contracting (2)

- **A definition has been provided by EASA Legal Department as follows:**

As soon as there is a contract in place the term 'contracting' should be used even if the contracted organisation is not approved.

- **For the reason noted above the term subcontracting has been deleted from the rule and AMC throughout the NPA**
 - ✦ wherever used, the term 'contracting' is now used for contracting activities
 - irrespective of whether the contracted organisation is approved or not.



2. Can a CAMO contract under its quality system all CAM to another CAMO?



Several options

The working group evaluated the following options:

A CAMO could:

- ✦ a) carry out all the CAM tasks itself;
- ✦ b) contract tasks, under its own quality system, to a non-approved organisation;
- ✦ c) contract tasks to another CAMO and get some credits from that 2nd organisation;
- ✦ d) contract tasks to another CAMO with the corresponding transfer of responsibilities.



Several options

The working group came to the conclusion that:

- ★ there was no clear method by which the contracting organisation could obtain credit from the fact that the contracted organisation held a CAMO approval;
- ★ there may be confusion about the responsibilities of each party and that the overall management of the continuing airworthiness of the aircraft would be diluted.

Note: More arguments are given in slide 24



Several options

Therefore two options remain:

A CAMO could:

- ★ a) carry out all the CAM tasks itself;
- ★ b) contract CAM tasks, under its own quality system, to organisations, irrespective of any approval held by the 2nd organisation.

In the second case, and in order to avoid dilution of the responsibilities, the CAMO should actively control the contracted organisation.



3. Is there any limitation in contracting CAM tasks under the quality system?



Any limitation about contracting? (1)

Regarding the nature of the CAM tasks:

The working group came to the conclusion that there were no technical limitations in contracting CAM tasks:

The contract should:

- Adequately and timely address the interfaces; and
- Describe the type of “active control”.



Any limitation about contracting? (2)

Regarding the number of CAM tasks:

The working group also came to the conclusion that a few organisations had contracted out so many tasks that, in reality, they no longer had the capacity or the level of in-house competence to oversee these contracts.

➤ Therefore the contracting of tasks should be limited to those (number and nature) that could be effectively overseen by the CAMO.

- ✦ The NPA does not propose any limit.
- ✦ The NPA prefers to re-enforce the “active control”.
- ✦ However it does not make sense to contract most of the tasks.

➤ The essence of a CAMO is to manage the full CA and aims at being able to issue /renew the ARC for the full aircraft. Allowing contracting of a full package of CAM tasks to a CAMO was seen as an incentive to delegate not only the accomplishment of the tasks but also the responsibility to the contracted CAMO and later to reduce the resources



Any limitation about contracting? (3)

Regarding the number of organisations that can be contracted

The working group confirmed that the fragmenting of tasks between different organisations should be limited as it is likely to dilute the overall CAM and the accountability (as already proposed by AMC M.A.201(h)1 and its Appendix II).

★ The sentence "With the exception of engines and APUs, contracts would be normally limited to one organisation per aircraft type" is therefore extracted from AMC M.A.201(h)1 and elevated to the rule (requirement in M.A.711(a)).



What states new M.A.711(a)?



Proposed M.A.711 (a) now reads:

A continuing airworthiness management organisation approved in accordance with Section A, Subpart G of this Annex (Part-M) may:

1. manage the continuing airworthiness of aircraft,

2 arrange to carry out continuing airworthiness tasks with any contracted organisation, working under its quality system, as listed on the approval certificate, subject to demonstrating active control of the contract by means of a resource plan. With the exception of engines and auxiliary power units this privilege shall be limited to contracts with one organisation per aircraft type unless otherwise agreed by the competent authority.



The major regulatory change (1st part)

- ✓ Now, only M.A.711(a)2 addresses the privileges for a CAMO to further contract some CAM tasks.

- ✓ All aspects about the contracting of CAM task in AMC M.A.201 (h) (1) and its Appendix II are deleted and transferred into a new AMC to M.A.711(a)2 and its appendix II
 - * Is called "Contracting of CAM tasks by a CAMO"
 - "How to write a contract?"
 - * Addresses any type of operations



4. What does “demonstrating active control of the contract by means of a resource plan” mean?



Active control of the contract by means of a resource plan

'Active control' means being actively involved in the accomplishment of individual tasks to a level that the contracting organisation can satisfy itself that these CAM tasks are carried out correctly;

This is the case where a CAMO contracts, under its own quality system, an approved or non-approved organisation and therefore exercises active control of the contractor

(definition given in new GM n°2 to M.A.201(h)1&2 and to M.A.711(a)1 and 2)



Active control of the contract by means of a resource plan

In order to oversee the contracted tasks, the CAMOs should be in a position to demonstrate that they can maintain the:

- ✦ Capacity,
- ✦ Capability,
- ✦ Competence.

The CAMO should formally assess the number, the nature and the criticality of each contracted CAM task. This would provide tools to ensure an adequate level of CAM oversight is carried out, by:

- ✦ analysing the criticality of the contracted CAM tasks;
- ✦ ensuring proper active control;
- ✦ Defining the oversight for each contracted task.

An AMC to new M.A.711(a)2 has been produced to ensure that the CAMO performs such an analysis called 'Means of Active Control' (MAC) which:



AMC to new M.A.711(a)2

The MAC (Means of Active Control**) aims at:**

- 1. defining the individual task (s) which it intends to contract and how it will oversee each one of these contracted tasks which remain under its quality system;**
- 2. identifying the criticality of the contracted tasks and establishes the day-to-day involvement for each task based on the criticality level of the tasks; such an analysis should be the basis for determining the level of 'active control' necessary and should be made available to the competent authority;**
- 3. establishing proper lines of communication (including exchange of documents and airworthiness data) to ensure consistency and effectiveness of combined contractual arrangements;**



AMC to new M.A.711(a)2

The MAC (Means of Active Control**) aims at:**

4. employing a person or group of persons with the appropriate range of competences, to manage and actively control the performance of the contracted organisation(s);
5. maintaining the capability and the competency to exercise control of the contract(s) at all times;
6. demonstrating, by way of a resource plan, that the organisation has adequate manpower, competence, approved data etc., to ensure, by active control, that all the contracted activities are carried out to the agreed standard.



Regulatory impact assessment



Who is affected by this NPA?

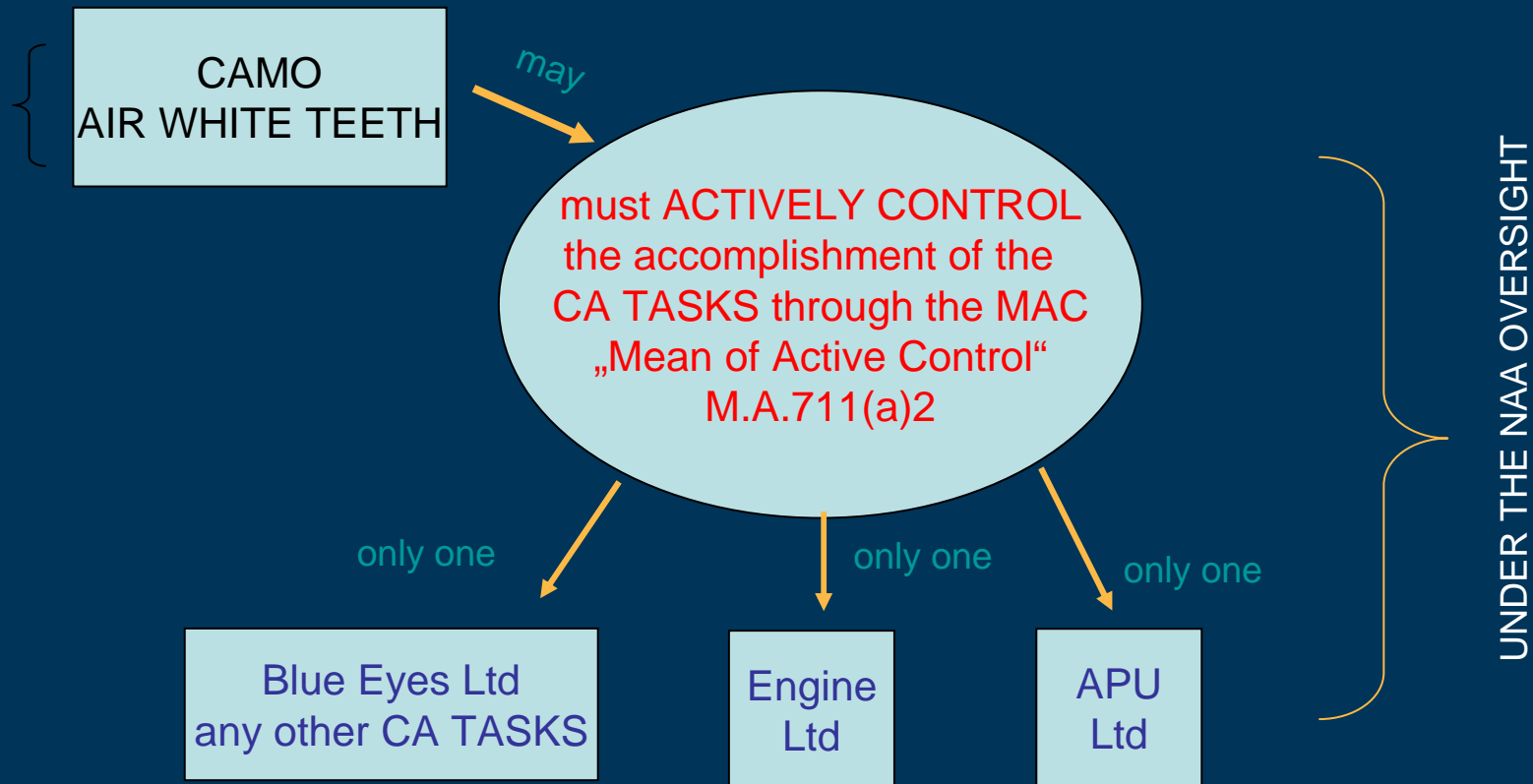
- **The changes would affect:**
 - ★ **CAMOs (and potential applicants for CAMOs),**
 - ★ **Non-approved (contracted) organisations performing CAM tasks,**
 - ★ **OEMs (offering total care type packages),**
 - ★ **EU NAAs,**
 - ★ **EASA.**



Need for a transition period?

The CAMOs already in place will have to demonstrate that they have:

- ✦ reviewed their policy with regard to contracting of CAM tasks (if applicable);
 - ✦ made the appropriate changes to their structure, resources, staffing levels, procedures and the way that they interact with owners/operators and contracted organisations by producing the 'Means of Active Control' (MAC or equivalent - IAW new AMC M.A.711(a)2);
 - ✦ reviewed the contracts with the contracted organisations, including maintenance organisations and the organisations managing some continuing airworthiness tasks;
 - ✦ made the necessary adjustments to the CAME and its associated procedures.
- The NPA proposes a "12 month" transition period from the Entry Into Force of the future Opinion.





Conclusion for the 1st part of NPA 2010-09

The Agency considers that this NPA :

- ★ **makes the concept of “contracting CA activities” more robust by:**
 - ★ cleaning the inconsistencies;
 - ★ limiting the dilution of responsibilities and the incentive to further contract;
 - ★ having a set of rules better addressing the issue and improving the safety.

- ★ **give a tool to the NAAs in order to check the appropriate level of “active control” by:**
 - ★ a resource plan called “Means of Active Control” to be reflected in the CAMO procedures and being made available to the competent authorities no later than **12 months** after the date of entry into force of this proposal (transition period).



**Should you have any question on this
presentation, contact**

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END