U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION
National Policy

NOTICE N 8000.362

Effective Date:
4/23/07
Cancellation Date:
4/23/08

SUBJ: Air Carrier Contract Maintenance Provider Oversight Responsibilities (Certificated Repair Stations/Noncertificated Facilities)

1. Purpose of This Notice. This notice provides guidance to principal inspectors (PI) assigned to Title 14 of the Code of Federal Regulations (14 CFR) part 121 certificated air carriers who contract some or all of their maintenance to other persons. Upon receipt of this notice, PIs must complete a review of each air carrier's contract maintenance program to verify the air carrier's procedures adequately ensure compliance with its Continuous Airworthiness Maintenance Program (CAMP) and the Federal aviation regulations. PIs should then continue to use this guidance for oversight of each air carrier's contract maintenance program.

2. Audience. We will be distribute this notice to the division level in the Flight Standards Service in Washington headquarters, including the Regulatory Support Division at the Mike Monroney Aeronautical Center; to the branch level in the regional Flight Standards divisions; and to all Flight Standards District Offices.

3. Where Can I Find This Notice. Inspectors can access this notice through the Flight Standards Information Management System (FSIMS) at http://fsims.avr.faa.gov. Operators may find this information on the Federal Aviation Administration (FAA) Web site at http://www.faa.gov/library/manuals/examiners_inspectors/8000.

4. What This Notice Cancels. This notice cancels Airworthiness Handbook Bulletin (HBAW) 06-05A, Air Carrier's Outsource Maintenance Provider Oversight Responsibilities (Certificated Repair Stations/Noncertificated Facilities).

5. Background. This notice responds to the Department of Transportation's Office of Inspector General (OIG) report number AV-2006-031, Air Carriers' Use of Non-Certificated Repair Facilities, dated December 15, 2005. The OIG made seven recommendations to the FAA concerning oversight of a part 121 certificate holder's contract maintenance practices. The notice addresses the OIG report and provides PIs with guidance for continued oversight of air carriers using contract maintenance providers.

6. Definition. For the purpose of this notice, the definition of "noncertificated repair facility" or "noncertificated maintenance provider" is a contracted maintenance provider not certificated under the regulations. The noncertificated entity can be a company housed in a building such as a hangar, or mobile vehicle such as a truck or van. Due to the nature of the work performed, the majority of technical people employed by this type of company hold a FAA Airframe and Powerplant (A&P) mechanic certificate. Because an air carrier is responsible for the airworthiness of its aircraft, the work must be performed in accordance with the requirements of

the air carrier's manual, and returned to service after maintenance or alteration by an authorized certificated A&P mechanic or repairman.

7. Discussion.

a. Federal aviation regulations and FAA policy require that there be no difference between maintenance done by the air carrier and maintenance performed for the air carrier by a certificated or noncertificated maintenance provider. Under the requirements of part 121, § 121.363, the air carrier and each person with whom the air carrier arranges for the performance of maintenance, preventive maintenance, alterations, and required inspections, must have an organization adequate to perform the work. Additionally, each air carrier shall ensure that maintenance, preventive maintenance, and alterations performed by it, or by other persons are performed:

(1) In accordance with the air carrier's manual;

(2) By competent personnel;

(3) In adequate facilities with equipment provided for the proper performance of the work; and

(4) So that each aircraft has been properly maintained and is returned to service in an airworthy condition.

b. These requirements are imposed on the air carrier because it has the primary responsibility for the airworthiness of its aircraft. As such, the air carrier must have the proper controls in place to assess, qualify, and authorize work performed for it by other persons, regardless of whether the work is performed by a certificated or noncertificated contract maintenance provider. Additionally, an air carrier is required under its Continuing Analysis and Surveillance System (CASS), to correct any deficiency in its maintenance and inspection programs, regardless of whether those programs are carried out by the air carrier or by a contract maintenance provider. Air carriers should be collecting data on contract maintenance providers for analysis under CASS to properly control and monitor the contract maintenance provider's performance, and take the appropriate actions when necessary.

8. Action. PIs should use the following guidelines, based on the OIG's recommendations, to assess whether air carriers are properly monitoring the use of contract maintenance providers as required by the regulations.

a. Evaluate the contract maintenance program policies and procedures contained within the certificate holder's manuals. Review the air carrier's list of contract maintenance providers, as required by part 121, § 121.369(a), and its part 121 operations specification (OpSpec) D091, Authorization to Make Arrangements with Other Organizations to Perform Substantial Maintenance, for currency and accuracy.

> **Note:** To readily identify maintenance providers and facilitate review of the list, the OIG recommends separating the listings of maintenance providers used by the air carrier into two categories that identify the noncertificated repair facilities and

certificated repair stations. That list should further identify which contractor provides critical maintenance, scheduled maintenance or on call maintenance. It is important to remember that the listing required by § 121.369(a) must include a general description of the work performed by the contract maintenance providers.

b. Determine whether the air carrier is properly assessing and authorizing the type of work, and limitations to that work, performed by a contract maintenance provider. PIs should take the following actions:

(1) Verify that the air carrier's maintenance program adequately addresses the type of work they have authorized the certificated and noncertificated contractor to perform. All contracts between air carriers and maintenance providers should state limitations and scope of work. Reference FAA Order 8300.10, Volume 2, Chapter 69, Evaluate Part 121/135 (10 or More) Outsource Maintenance Arrangement; and Volume 3, Chapter 132, Performance/Evaluation/Inspection and Assessment of a Part 121 Air Carrier's Outsource Maintenance System.

(a) The OIG was concerned with the extent to which certificate holders used contractors to accomplish aircraft maintenance, particularly the on call type maintenance, with no limitations on the scope of maintenance performed. They noted that it had long been accepted that these contractors only performed minor maintenance tasks, but in several instances this was no longer the case. They identified numerous contractors who were performing scheduled maintenance and some that performed critical maintenance.

(b) The scope of maintenance these contractors accomplish may exceed what they were originally contracted to perform. In many cases, the certificate holder did not qualify or authorize the contractor to do this type of maintenance.

(2) Verify the air carrier's maintenance oversight program includes certificated and noncertificated repair facilities. The PIs should verify that the air carrier Comprehensive Surveillance Plan (CSP)/Comprehensive Assessment Plan (CAP) or the yearly oversight plan includes oversight of the noncertificated maintenance providers. Reference Order 8300.10, vol. 2, ch. 69.

(a) Regardless of who performs maintenance for an air carrier, the air carrier's maintenance program must be complied with in accordance with § 121.367(a). It is also the responsibility of the air carrier to ensure all contractors—whether FAA-certificated facilities or not—have the appropriate data to perform the work they have been authorized to perform, that the work is accomplished competently, and that the aircraft or component is airworthy upon completion of the maintenance.

(b) The FAA can only ensure the regulatory requirements of the air carrier are continually being met through an oversight program, since the air carrier is primarily responsible for the airworthiness of its aircraft. There are several layers of oversight to ensure air carrier maintenance contracted to others (e.g., repair stations, other air carriers, or mechanics brought in by the air carrier to work in its facilities) remains equivalent to that performed by the air carrier.

c. Review the air carrier's training programs. Verify that the programs contain policy and procedures to ensure the proper training of the appropriate maintenance/inspection personnel employed by the contracted maintenance providers (certificated or noncertificated). The personnel should be:

(1) Properly trained and qualified to maintain the air carrier's aircraft in accordance with the air carrier's requirements. Reference Order 8300.10, Volume 2, Chapter 70, Evaluate Parts 91 Subpart K/121/135.411(a)(2) Maintenance Training Program/Record; and Air Transportation Oversight System (ATOS) Safety Attribute Inspection (SAI) Data Collection Tool 1.3.7 Outsource Organization (AW), SAI Section 1, Procedures Attribute.

(2) Properly certificated, trained and authorized in Required Inspection Items (RII) for critical repairs in a manner identical to the training provided to air carrier personnel for performing the same type of RII functions in-house. Air carrier RII listings may differ greatly in content and description, however PIs must verify that the air carrier's RII training program and syllabi address the varying types of inspections required and performed. Reference the current edition of HBAW 05-06, Guidance and Policy Addressing Required Inspection Items (RII).

(3) Properly trained in completing maintenance records in accordance with the air carrier procedures. Reference Order 8300.10, vol. 2, ch. 70, and ATOS SAI 1.3.7, section 1.

d. Verify that the air carrier ensures all personnel, including on call, contracted, or otherwise, receive the air carrier's required and recurrent training before performing the requested task.

(1) The OIG reported that many air carriers have contracts with maintenance providers that are used infrequently. In some cases the air carriers have not used the maintenance providers for as long as 12 to 18 months. In addition, the OIG identified that personnel who perform on call RII functions have not always received the training specified in the air carrier's manual, and that the training they did receive was limited in scope, and did not address the specific requirements of the inspection.

(2) Section 121.375, which includes certificate holder maintenance training requirements, states, in part, that the certificate holders must "have a training program to ensure that each person (including inspection personnel) who determines the adequacy of work done is fully informed about procedures and techniques and new equipment in use and is competent to perform his duties." There are additional training requirements in part 121, subpart L. These rules apply to any person performing maintenance on behalf of the certificate holder, including infrequently used or on call contract personnel.

e. Verify through record checks that the CASS includes an industry standard in-depth inspection process for evaluating noncertificated repair facilities. Reference Order 8300.10, Volume 3, Chapter 133, Evaluate/Inspect Part 121/129/135 and 125 Operator's Outsource Maintenance Organization Facility; and ATOS SAI 1.3.7, section 1.

f. Review the air carrier's audit programs for noncertificated repair facilities to verify the air carrier has established an industry standard in-depth process for evaluating these facilities.

Reference Order 8300.10, Volume 3, Chapter 131, Inspect Operator's Maintenance Facility; and vol. 3, ch. 133.

g. Verify and determine whether the air carrier has procedures to evaluate the background, experience, and qualifications of the temporary maintenance personnel used by contract maintenance providers. Reference Order 8300.10, vol. 2, ch. 70; and ATOS SAI 1.3.7, section 1.

9. Recording Requirements.

a. Program Tracking and Reporting Subsystem (PTRS).

(1) For non-ATOS part 121 air carriers, PIs should document the results of their review and evaluation by completing the PTRS record using activity code 3617/5617 in accordance with the PTRS Procedures Manual (PPM).

(2) Any discrepancies found during this review and evaluation should be documented under the corresponding PTRS activity code which best describes it. For example, if a problem is found involving manuals, that discrepancy would be documented under PTRS activity code 3626/5626.

(3) Enter "8000.362" (without the quotes) in the "National Use" field.

b. ATOS Certificate Management Teams (CMT). ATOS CMTs will use Constructed Dynamic Observation Reports (ConDOR) to accomplish evaluations of air carriers' contract maintenance programs. The Flight Standards Certification and Surveillance Division, AFS-900, created a standardized ConDOR for this evaluation. The ConDOR contains design assessment questions, reflecting AFS-300's intent that the evaluation be a "desk audit." The ConDOR does not require the PI to evaluate the contracted maintenance providers with performance observables, which would require an onsite visit.

> **Note:** While planning for this evaluation, ATOS CMTs may find it beneficial to review their data collected under Element Performance Inspection (EPI) Data Collection Tool 1.3.7 Outsource Organization (AW); and Element Performance Inspection (EPI) Data Collection Tool 1.3.11 Continuous Analysis and Surveillance (CAS)(AW).

10. Job Aid. Non-ATOS CMTs may elect to use the ConDOR as a job aid for the accomplishment of the evaluation.

11. Disposition. We will permanently incorporate the information in this notice in FSIMS before this notice expires. Direct all questions concerning this notice to the Air Carrier Maintenance Branch, AFS-330, at (202) 267-8908.

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