MODIFICATION AND REPLACEMENT PARTS ASSOCIATION
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The Honorable Francisco J. Sánchez
Under Secretary for International Trade
U.S. Department of Commerce
1401 Constitution Ave., N.W., Rm. 3850
Washington, D.C. 20230

Dear Mr. Under Secretary:

On behalf of the Modification and Replacement Parts Association (MARPA), I am seeking your assistance in utilizing trade channels, such as the World Trade Organization, relief from unreasonable fees imposed by the European Aviation Safety Agency (EASA) to U.S. exporters of civil aircraft parts.

MARPA is the non-profit trade association that represents U.S. manufacturers who hold FAA Parts Manufacture Approval (PMA). MARPA has 100 members.

In the United States, the FAA issues PMAs to applicants who can show that they have a design and a production quality system that produce aircraft parts that meet FAA regulations and are safe for operation in an aircraft. U.S. companies that want to produce replacement aircraft parts generally must apply for this sort of approval. This sort of approval is available to produce parts for U.S. type design aircraft and also for aircraft where the state of design is not the U.S., but the US has approved or validated a type design (e.g. parts for Airbus aircraft, parts for Embraer aircraft, etc.).

PMA is almost uniquely a U.S. industry. A small number of PMAs have been issued by Australia and China (numbering in the hundreds - less than one tenth of one percent of the number of approvals issued in the United States), but these foreign parts are generally not permitted to be used in other nations (and particularly are not accepted in the U.S. and European Community). But the United States is the only country that issues large numbers of PMAs,[1] and it is the only country that has developed a system of bilateral agreements for the export of these PMA aircraft parts.

[1] According to C.K. Cooper & Company, the FAA has issued 713,391 PMA Supplements between 2000 and 2011. Each FAA PMA Supplement represents an indeterminate number of discrete aircraft parts (one or more), and it is common for each supplement to reflect multiple part numbers.

With a handful of exceptions, MARPA's members are generally small, privately-held manufacturing businesses. They typically operate independently of the type certificate holders (the companies that make the complete engines and airframes), and they typically offer replacement aircraft parts to support older types of aircraft following expiration of the warranties on those aircraft.

Europe does not currently issue approvals that are analogous to the FAA PMA. Under the bilateral airworthiness safety agreement between the U.S. and the European Community, PMA parts from the United States are generally acceptable in Europe, unless the parts are "critical." The term "critical" includes parts with life limits (parts that must be removed from service after a set number of hours or cycles because of fatigue life due to repetitive stress or other reasons). "Critical" PMA parts from the U.S. are acceptable in Europe if they are (1) produced by the type certificate holder or the type certificate holder's licensees or (2) produced by a third party who has applied for and received a Supplemental Type Certificate (STC) from EASA.

Thus, if an independent U.S. company produces "critical" parts under a FAA PMA, it is required to obtain a European STC in order to sell those parts to a customer for use on a European-registered aircraft.

If the PMA parts reflected a major change to type design, then it would be required to have a STC in the United States. Most PMA parts, though, do not require an STC in the United States because they are not major changes to type design (because they typically are drop-in replacements that do not change the operational characteristics of the aircraft or engine). Despite the fact that no STC is required under U.S. law, these "critical" PMA parts will generally require a European STC in order to be acceptable in Europe (based on standards negotiated by the FAA). This is true despite the fact that the STC repeats the elements of the design approval process associated with obtaining the PMA from the FAA. The PMA is generally ineligible for validation because the form of U.S. FAA approval (PMA) does not have a direct corollary in the European system.

The EASA charge for a Supplemental Type Certificate varies depending on the project but the fee is usually in the tens of thousands of Euros range for commercial aircraft, due to the fact that these parts are characterized as "complex,"[2] with additional hourly fees for certain associated tasks. Because the underlying data has already been approved by the FAA, the actual level of work required does not justify such a high fee.

The industry is replete with horror stories about U.S. companies who have been held hostage to the European application process. These stories, whether true or not, have resulted in most U.S. PMA companies concluding that

[2] The parts may not actually be complex - rather they are characterized in this way because they have been assigned fatigue life limits through the design process.

application to EASA for a STC related to a "critical" PMA part would be futile, in that the net cost of the STC would exceed any potential gain from being able to export the part for use in Europe.

As you know, the National Export Initiative is aimed at doubling U.S. exports, especially by promoting sales overseas from small U.S. companies. Relief from the unreasonable fees EASA imposes is critical to helping ensure the competitiveness of the U.S. aerospace industry, including MARPA small businesses, in the global marketplace.

Thank you for your assistance!

Very Truly Yours,

Jason Dickstein
MARPA President