The Supplier

Coordinating Agency for Supplier Evaluation

DECEMBER 2013

President's Note

Changing Times

Ken Fleming
C.A.S.E. President

To the auditor in the field, C.A.S.E. may seem to be a fairly stable, unchanging, organization. Each member trudging through the day-to-day tasks to satisfy regulators/regulatory requirements through execution of their independent CASS; all the while meeting new challenges each day in the areas of resources (people), budget, and an ever-changing industry. C.A.S.E. can become an "obligation" in that hectic environment – just part of the day-to-day tasks we all must do. This can certainly lead to a negative perception of the activity necessary to continue to move the organization forward, and can be perceived in a negative light by member leaders.

To those more directly involved; either through conducting training or participating at the committee level, C.A.S.E. clearly takes on a different persona. These folks see more of the inner-workings, the committee "debates", and through this, attain a higher level of appreciation for who we are and what we do. These folks most certainly can influence the direction of C.A.S.E. and, in effect, directly impact the perception of our organization on the larger audience – the Repair Station Industry, regulators and their direct leaders.

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Inside This Issue

Image Is Something

Auditor Handbook

Simon Chandler
C.A.S.E. ACS Vice Chair, Level IV

Our organization will perform over two hundred audits this year. Our auditors are well trained and professional in both appearance and behavior. However, sometimes we let our standards slip a little. The Auditor Handbook provides guidance for conducting audits on behalf of the organization. We all need to take time to review the handbook and take a look at ourselves to see if we have room for self-improvement.

A recent survey comment from a vendor stated:
"(Auditor (Name Withheld)) was the (Member (Name Withheld)) auditor, in addition to looking like a saloon biker he is full of himself and comes across as superior. He has threatened C.A.S.E. activity every time he is here. All of our other 12 to 15 audits from US carriers are conducted without threats. People roll their eyes at his antics and tactics. We are considering withdrawal from C.A.S.E. as a result from a lack of need to be bullied."

It is important to remember who we represent and the visibility our audits receive. As auditors, we are the front of the organization; we meet face to face with the public and as such, need to present ourselves in-

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Then there are those who dive in head-first; Committee Chairs, Section Chair/Vice Chair, and the Board of Directors. This group is positioned to drive the greatest potential impact on both C.A.S.E. directly, and through industry interaction. For these folks, C.A.S.E. is anything but a "fairly stable, unchanging organization". Each of us struggle with meeting our C.A.S.E. responsibilities as well as our "full time" jobs. Many at this level are also at the manager or above level within their respective companies, which make the demands even greater, and the stakes higher. From my perspective, this makes it even clearer that C.A.S.E. must revive the grass-roots activity of our members in order to not only continue to strive for improvement, but more glaringly; drive the change necessary to survive.

Many issues have popped up and been discussed openly with membership since I was elected in October, 2008. Some of these include; controversial issues that, for many reasons, is not or cannot be fully disclosed to the membership, the threat of litigation and, in the past 6 years. One example resulted in significant legal fees in order to defend the organization. Another example is the continual efforts of competing organizations to "borrow" our model and encroach on our business. Furthermore the ever present opportunities to expand our base and continue efforts at further legitimizing C.A.S.E. while protecting our interests and meetings in Washington with FAA leadership are just a few examples of how we are far from a "stable, unchanging organization".

The latest initiative, which began at the meetings in CLT, is the SMS or Risk Based scoring criteria. This was discussed opening with the ACS General Session as well as at the committee level, and an Ad-Hoc committee assembled. The committee finds themselves waiting on me to fire the starting gun, which will be fired by the time this is published. This initiative, I believe, is imperative for the future success of C.A.S.E.

> ***Failure to develop and implement a solid methodology in the decision process around determining, and defending, Register action is a necessary evolution for C.A.S.E.***

Completing this initiative will help us maintain relevance in an industry that is under greater stress to manage costs, measure benefits, and to do it all with less. Each member is under the added stress of managing constantly changing MPLs and "Creative Supply Chain" efforts, all focused on reduced costs, with ever increasing regulatory scrutiny.

One common thread throughout my tenure-has been the constant plea for members to see C.A.S.E. involvement as more than an obligation, but rather as a benefit. A benefit to the individual, the companies we represent, and the industry as a whole. I believe strongly in the contribution C.A.S.E. has made to safety, and look forward to continuing that tradition, as well as taking advantage of opportunities to grow through expanded relationships with other organizations. Yet without committed members at all levels, working toward a common goal, and carrying their "fair share" of the burden, C.A.S.E. may find itself being outdated, outpaced, and ultimately left behind. The organization must evolve, and that can only happen through commitment. All must work to carry the load and focus on getting the work of the organization done.

I thank each of you who are committed and involved, and I challenge those who can do more to step up and work with us as we continue to move forward, and not be left behind!

Happy Holidays to all, and safe travels! ■

Auditor Insight

Anti-Trust

Brandon Nollette
C.A.S.E. Level III

There have been many questions lately about what and how anti-trust applies to the C.A.S.E. organization. The Sherman Act and the Clayton Act are probably the most important when it comes to possible litigation and you. There are many more Acts' that are important. This article will focus on the Sherman Act and Clayton Act and how it affects C.A.S.E.

Anti-trust exists to allow the economy and the public to benefit most if businesses compete vigorously and free from unreasonable restraints. Under regulation, the Civil Aeronautics Board (CAB) had the power to grant immunity from the antitrust laws. Under regulation, as a result, more than ever before, airlines and their management personnel are subject to antitrust prosecution for anti-competitive facts.

It is important to know who enforces violations and prosecutes. The DOJ Antitrust Division is responsible as well as private parties. Under both federal and state antitrust law, any person who is "injured in his business or property" by a violation of antitrust laws is entitled to bring an action in court.

Sherman Act was amended with Clayton Act-

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Calendar of Events 2013/2014

Winter Training Sessions

Nashville, TN

January 13-16

Deadline for room rates is 12-13-13.

Spring Meeting

Ft. Lauderdale, FL

April 1-4

Days have changed to Tuesday-Thursday

Summer Training

Nashville, TN

July 14-17

Hotel Information TBD

Fall Meeting

Phoenix, AZ

October 7-9

Days have changed to Tuesday-Thursday

Anti-Trust ***continued from page 2***

mandated further civil provisions prohibiting additional anti- competitive conduct. The Sherman Act outlaws: collusive business agreements that unreasonably restrain competition, while the Clayton Act broadens the scope of antitrust legislation to include anti-competitive individual business activity such as price discrimination. The primary antitrust statute, the Sherman Act, prohibits contracts, agreements and conspiracies that would unreasonably restrain trade.

C.A.S.E. auditors should not engage in any course of conduct which could give rise to an interference of any understanding, whether formal or informal, with any competitor about prices or competitive matters of any kind.

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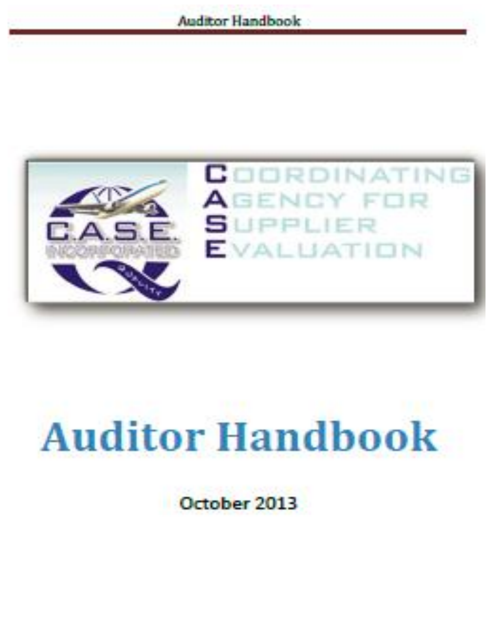
Auditor Handbook ***continued from page 1***

the most professional manner. We directly interact with leaders at the respective repair station we audit, and the reputations of not only the organization, but the auditor as well are always subject to critical review. We have to be careful how we communicate, interact and treat others, especially in difficult circumstances. Our words are taken very seriously, even if they were meant in jest. Our behavior, demeanor towards others, and appearance leave a lasting impression that is the foundation of a solid opinion, of not only the auditor but of C.A.S.E.

Each of us work for air carriers or repair stations that have varying dress codes for their personnel. What is appropriate for one may not be acceptable for another. The C.A.S.E organization has set the dress code as business casual. This is described as pants and a shirt with a collar, shoes or boots that are polished. This is the minimum acceptable for audit personnel, C.A.S.E. meetings and training sessions. Additionally, some repair facilities have a business dress code that includes suits and/or shirt and ties. If this is the C.A.S.E., we should meet the dress code of the vendor. A couple of well-directed questions prior to the audit will ensure a professional appearance on the day of the audit.

The Audit Handbook has been updated (October 2013) and improved. It reflects how we currently conduct audits and is a good resource for training and guidance. It is recommended reading so please download your copy from:

http://www.C.A.S.E.inc.org/images/AuditorHandbookFinal.pdf . ■


Auditor Handbook

C.A.S.E. INCORPORATED

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Anti-Trust *continued from page 3*

A conspiracy may be found to exist where it is shown that there was any kind of mutual understanding which gave the parties a basis for expecting that a business practice or decision adopted by one would be followed by the other.

Companies do use the C.A.S.E. register as their only means of surveillance. When the vendor is deleted, the Company may stop doing business with the vendor. This is the point where vendors that are deleted and their competitor is not; it may be perceived they are being hindered by C.A.S.E. to unreasonably restrain trade.

When deleting vendors from the register these items need to be your reasons:

- ✓ Violations of safety of flight requirements, Whether or not they are regulatory violations.
- ✓ Intent to defraud.
- ✓ Ceasing operations or business.
- ✓ A move of principal operations.
- ✓ Refusing to permit an audit from a C.A.S.E. authorized auditor requesting to perform an allocated audit to a C.A.S.E. standard.
- ✓ Failing to implement corrective action(s).
- ✓ Refusing to sign the Vendor Expectations and Limitations prior to closure of the audit process.
- ✓ Failing to correct audit findings within the required time limits.

References: Auditor handbook
www.DOJ.gov
www.antitrustcriminalattorney.com/antitrust-statutes ■

Regulation Talk

ATOS & SAS

Robert Radawiec Jr.
C.A.S.E. Level III

For several months now our local CHDO has been stirring over a new forthcoming oversight program. Even with budgetary restraints it appears the FAA is moving forward with this change.

Most of you are familiar with the current system, Air Transportation Oversight System or ATOS for short. You can relate to the days spent with your PMI or PAI answering SAI or EPI questions. We've witnessed the evolution of FAA definition for Procedures, Controls, Responsibility, Authority, and the ever so popular Process Measurement. And just when we thought we had a handle on things, the decision came to change oversight to a new Safety Attribute System; SAS for short.

Not to be confused with Safety Management System (SMS), AFS SAS is, "The Flight Standards (AFS) Safety Assurance System – The people, processes, and technology that will be the safety assurance system for AFS. In 2015, the AFS SAS will be the new oversight system for 14CFR Parts 121, 135, and 145 and will eventually be used for all other CFR Parts."

Sounds interesting right? As with any new oversight, I believe it will be. The link below will get you started with guidance material (Video) pertaining to SAS. Enjoy.

http://www.faa.gov/tv/?mediaid=810

Reference:
http://www.faa.gov/about/initiatives/saso/library/media/SAS_Glossary.pdf ■

Meeting & Training Info

Samantha Shadursky

C.A.S.E. Administrator

As you may be aware, we conduct semi-annual meetings as required by the organization by-laws, and training sessions during which much of the work for the organization is accomplished. In an effort to better utilize these events to ensure maximum productivity, you will see changes in the format of the meetings.

Firstly, the meetings will be running from Tuesday through Thursday so that most of us need not travel on the weekends.

Secondly, the meeting general sessions normally scheduled for Wednesday morning will be moved to a later time on Thursday. This change is to provide each committee, including ad-hoc committees more time to conduct their business without taking-workloads into the evenings or back to their regular jobs.

These changes will be phased in starting with the next meeting in April. At this time, the training sessions will remain in their current format.

Please plan your travel accordingly and remember the minimum dress code for both the meetings and training is business casual which means a collared shirt and no jeans. ■

Auditor Insight

Maintaining Your Auditor Authorization

Nick Viyof
C.A.S.E. Level III

The C.A.S.E. Level III or Level IV Auditor Authorization that is granted to the Auditor by the Audit and Compliance committee (A&C) is normally valid for 24 calendar months after the date of the Auditor's successful Check Ride. Let's take some time to visit some key guidelines of the P&P to follow and maintain your C.A.S.E. Auditor Authorization, or to regain it if it is allowed to expire for one reason or another.

Currently, C.A.S.E. sustaining membership is limited to only air carriers that have a minimum of one (1) C.A.S.E. Level III or Level IV Auditor qualified to the 1-A standard who is a full-time employee of that member.

If a C.A.S.E. sustaining Airline loses all Level III/IV auditors, within thirty (30) calendar days, that member shall apply to the A&C committee chair for an exemption to this requirement until such time as it has a qualified replacement. The time limit for obtaining the replacement will be established by the A&C committee chair.

Before an auditor is authorized to perform a C.A.S.E. audit, the auditor must be a qualified Level III/IV auditor authorized through the A&C committee.

For a member's auditor(s) to retain their Level III or Level IV authorization, that member's C.A.S.E. Representative must file an Annual Activities Report (CACS-11) for the previous January-December calendar year to the A&C committee not later than January 31st of the year following the reporting year.

All Level III & IV individuals must attend the C.A.S.E. Auditor recurrent training (at least once every four (4) training sessions) and pass subject closed book test with a minimum score of 70% for Policies and Procedures, and Standard(s) to which they are qualified and authorized.

Additional to training, auditors must perform the following to retain Level III status:

1) Conduct six (6) audits to the applicable C.A.S.E. standard within the past twelve (12) months

2) Successfully pass a check-ride with an appropriate Level IV Evaluator every 24 calendar months. If the auditor fails the check-ride, the Level IV Evaluator will develop an individual re-qualification plan defining what the auditor must do before attempting to re-gain authorization. The A&C committee shall approve this plan. This may include recurrent training, further observations/pre-checkride evaluations, additional audits, or combinations thereof. Once the requalification plan is completed, the auditor may re-apply to complete a checkride.

The required audits must cover all parts of the C.A.S.E. Audit standard. However, this does not mean the audit must be allocated for credit.

In order to allow flexibility in setting up a check-ride, the check-ride may be performed within a three (3) calendar month window without the re-authorization month having to be changed. For example, if a check-ride is due in June, the auditor could perform the check-ride in May, June or July but the recurrent check-ride would remain as June two (2) years hence. Check-rides done in advance of the window would result in a change of the month in which re-currency is due.

To multiply your chances of finding an available CASE Level IV Evaluator, start planning and setting up the check-ride 6 months in advance. The C.A.S.E. website is also a valuable tool for disseminating check ride intentions.

Reference:

C.A.S.E. Policies & Procedures Manual

The material below was extracted from a presentation submitted to the A&C Committee fall meeting in Nashville, TN.■

Regulation Corner

Regulation Changes or Additions

Robert Radawiec Jr.
C.A.S.E. Level III

This section is developed to update Members with regulatory guidance distributed this year pertaining to the Quality Oversight and Auditor function.

FAA Order 8130.21H
Procedures for Completion and Use of the Authorized Release Certificate
Highlights of Change

1. This order replaces FAA Form 8130-3 (06-01) with FAA Form 8130-3 (02-14) as part of an effort to harmonize the Authorized Release Certificate among multiple civil aviation authorities (CAA). The changes to the Authorized Release Certificate include—
   a. Changing the term “National Aviation Authority” to “Civil Aviation Authority” in Block 1.
   b. Removing the Eligibility block.
   c. Removing the term “Batch” from Block 10.
   d. Renumbering the various blocks within the Authorized Release Certificate.
   e. Changing the date format to (dd/mm/yyyy).

2. In chapter 1, adds a note that describes the proper use of the word “should” throughout the order, referring to it as a recommended practice.
3. Removes the term “issuer” and replaces it with “originator.”
4. Updates all the block-by-block instructions and sample figures referring to FAA Form 8130-3 (02-14).
5. In chapter 2, includes guidance concerning commercial parts and FAA Form 8130-3.
6. In chapter 2, updates the documentation procedures for splitting bulk shipments.
7. Harmonizes the implementing instructions for Block 7 in all chapters.
8. Adds specific guidance to all chapters concerning batch or lot numbers in Block 12 in the block-by-block instructions.
9. In chapter 3, adds a new section concerning articles marked with dual or multiple part numbers.
10. In chapter 3, adds a new section concerning return-to-service information relevant to the European Union.
11. In chapter 3, the terms “Inspected” and/or “Tested” have been updated in the Status/Work block to coincide with the Maintenance Annex Guidance (MAG) Between the Federal Aviation Administration for the United States of America and the European Aviation Safety Agency for the European Union.
12. In chapter 4, adds the words “and Articles” in the section title and rewords this section to correspond with 14 CFR 21.331(c) and (d).
13. In chapter 4, the terms “NEW” and “USED” have been updated in the Status/Work block in accordance with § 21.331, and two notes have been added to clarify their use.
14. In chapter 4, adds a new section in the Remarks block (Block 12) when exporting a product or article to a country or jurisdiction that does not have a bilateral agreement with the United States.
15. In appendix A, adds a sample figure that shows how to complete FAA Form 8130-3 when shipping a rebuilt engine to a country within the European Union.
16. Removes the required use of the watermark “Printed from Electronic File” from the electronic FAA Form 8130-3.

Reference:
http://www.faa.gov/documentlibrary/media/order/faa_order_8130.21h.pdf

Note: Not all changes were listed in this document. For the entire listing, please reference the order. ■

EASA DOCUMENTS
TECHNICAL IMPLEMENTATION PROCEDURES
Change 3 – 04-23-13
http://easa.europa.eu/rulemaking/docs/international/united-states/bilateral-agreements/FAA-EASA%20TIP%20Revision%203.pdf

MAINTENANCE ANNEX GUIDE
Change 3 – 11-27-13
http://easa.europa.eu/rulemaking/docs/international/united-states/bilateral-agreements/MAG_Change-3.pdf ■

Chairman's Dialog

Focus on Bylaws

Ken Shadursky
C.A.S.E ACS Chair, Level IV

As an organization of quality minded individuals, we do an outstanding job maintaining the audit standard. However, as with anything, there is always room for improvement.

With that said, the C.A.S.E. Bylaws set forth the specific and primary purpose of our organization. As stated in the Bylaws, the purpose of the organization is to;

"promote the improvement of quality as well as the reduction of costs in the industry for the benefit of the members."

So, when broken down;

The first part is easy, **"promote quality"**. This is accomplished with every audit performed on behalf of the organization. In addition to the audits, our efforts to constantly refine our Policies & Procedures manual as well as the revisions to the audit checklist speak of our efforts in this regard. We are actively engaged in raising the audit/quality standard(s) and addressing, not only new regulations and/or guidance, but also fostering best practices throughout the industry.

The second part; "**the reduction of costs to the member**" is not always so clear. Compliance to the audit standard is undoubtedly the most important piece of the puzzle. However, non-compliance to the standard should not always result in a vendor's immediate removal from the register. Register removal does not result in **"a reduction of cost to the member".** It is actually the opposite, resulting in additional cost to the members that utilize that particular vendor. With this said, non-compliance to the standard does not always warrant immediate removal from the register. Each audit and non-compliance should be handled on a case by case basis and a determination should be made as to the severity of the non-compliance and the vendor's ability to identify a corrective action that will prevent a re-occurrence in the future.

Going forward, let's make an effort to meet the needs of the members as well as the goals of the organization. We can do this by working with the vendors allowing them time to resolve any issues or CAR's before jumping on the DELVEN wagon. A DELVEN is a tool to be used, but is not intended to be implemented at the slightest provocation. **If needed, use it**, but try to allow the vendor to resolve any issues before this drastic action is taken. If done correctly, this course of action accomplishes both the goals of the organization and leaves the vendor a stronger and more compliant agency!

Reference:

C.A.S.E. Bylaws ■

Treasurer's Forum

Annual Fees

Michael Goering
C.A.S.E. Treasurer

An invoice for 2014 Annual Membership dues will be arriving in the Company Representatives Email box soon. Invoices are scheduled to be distributed at the beginning of January and will be due by January 31, 2014.

There are 4 ways to make payment:

1. Send a check made out to "C.A.S.E., Inc." and send to the address below:

Michael Goering
C.A.S.E., Inc. Treasurer
3849 S. Gilda Circle
Wichita, KS 67215

Please remember to note the invoice number on your check

2. Use the link attached to the email sent along with the invoice.
3. Wire transfer. In this case the bank will charge C.A.S.E. a fee when making a wire transfer so an additional $25.00 will need to be added to your payment. Also, you will need to contact me for additional bank information when making a wire transfer.
4. PayPal. By accessing the C.A.S.E. website, www.caseinc.org, a link is posted under the "Air Carriers" button or "Repair Stations" button.

Membership dues are $ 1,400.00 for Air Carrier Members and $1,000.00 for Repair Station Members and are good for 12 months (January 1, 2014 through December 31, 2014)

If you have any questions, Michael can be reached by the following:

(734) 644-1149 cell
mgoering@kalittaair.com

Please note: If you do not receive an invoice by January 15th, please contact Michael. ■

Editor's Choice

Participation

Robert Radawiec Jr.
C.A.S.E. Level III

As the newly appointed Newsletter Committee Chair and also a new member to the organization, I've taken this opportunity to write my own article in support of the Supplier.

While there are many topics a new member can choose to write about, I've chosen to write about the member participation within the organization. Currently the responsibility lies solely on the Company Representatives:

> **"Active participation is considered to be by attendance (To Meeting) and by making contributions to the committee in the form of discussions, research, and time spent in support of committee functions".**

While this holds true, participation actually comes in many shapes, sizes and formats. Some participation can be physically seen at meetings and training events while other types of participation hide in the shadows of email or Management politics. During every audit you are actually participating. You are reviewing the standards, comparing for compliance and utilizing the process. Now I can't speak for everyone, but my auditing does not stop at the supplier. I audit the checklist I'm using, I audit the standard I'm referencing and I've even caught myself auditing the hotel I'm staying at as I'm sure others do. Thus, it is not just the representatives contributing; it is all of us contributing.

Of course there becomes a time when the contribution needs to become more prevalent. Individuals that do not attend meetings can still complete and submit CACS-10's for review and possible changes. Committees always need help, not just during the meetings but also between meetings there is much to do. Of course there is a monetary value to everyone's time; however does industry safety, reliability, and compliance hold a value to you? C.A.S.E. is the vehicle that provides all of us with the opportunity to make changes to the industry. The reality is the Organization will stumble, fail, insert negative word here, without the support of its members.

To digress, my effort is to hopefully inspire individuals to become more involved in the organization as I have chosen to do. I do not do it for the glamor or chance to write, I do it because this is my opportunity to make things better, for myself and others, and hopefully you will too. ■