DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Parts 1, 21, 43, and 45

[Docket No. FAA–2006–25877; Notice No. 06–15]

RIN 2120–AI78

Production and Airworthiness Approvals, Part Marking, and Miscellaneous Proposals

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: The FAA is proposing changes to its certification procedures and identification requirements for aeronautical products and parts. The proposed changes address standardizing requirements for production approval holders; requiring production approval holders to issue airworthiness approvals for aircraft engines, propellers, and other aviation parts; requiring manufacturers to mark all parts and components; and revising export airworthiness approval requirements to facilitate global manufacturing. The intent of these proposed changes is to promote safety by ensuring that aircraft, and parts designed specifically for use in aircraft, wherever manufactured, meet applicable standards. This action is also necessary to update our regulations to reflect the current global aircraft and aircraft parts manufacturing environment.

DATES: Send your comments on or before January 3, 2007.

ADDRESSES: You may send comments identified by Docket Number FAA–2006–25877 using any of the following methods:

- DOT Docket Web site: Go to *http://dms.dot.gov* and follow the instructions for sending your comments electronically.
- Government-wide rulemaking Web site: Go to *http://www.regulations.gov* and follow the instructions for sending your comments electronically.
- Mail: Docket Management Facility; U.S. Department of Transportation, 400 Seventh Street, SW., Nassif Building, Room PL–401, Washington, DC 20590–001.
- Fax: 1–202–493–2251.
- Hand Delivery: Room PL–401 on the plaza level of the Nassif Building, 400 Seventh Street, SW., Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

For more information on the rulemaking process, see the **SUPPLEMENTARY INFORMATION** section of this document.

Privacy: The FAA will post all comments received, without change, to *http://dms.dot.gov*, including any personal information you provide. For more information, see the Privacy Act discussion in the **SUPPLEMENTARY INFORMATION** section of this document.

Docket: To read background documents or comments received, go to *http://dms.dot.gov* at any time or to Room PL–401 on the plaza level of the Nassif Building, 400 Seventh Street, SW., Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Barbara Capron, Production Certification Branch, AIR–220, Federal Aviation Administration, 800 Independence Avenue, SW., Washington, DC 20591; telephone (202) 267–3343.

SUPPLEMENTARY INFORMATION:

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I. Comments Invited

The FAA invites interested persons to participate in this rulemaking by sending written comments, data, or views. We also invite comments related to the economic, environmental, energy, or federalism impacts that might result from adopting the proposals in this document. The most helpful comments reference a specific portion of the proposal, explain the reason for any recommended change, and include supporting data. We ask that you send two copies of written comments.

We will file, in the docket, all comments received, as well as a report summarizing each substantive public contact with FAA personnel concerning this proposed rulemaking. The docket is available for public inspection before and after the comment closing date. If you wish to review the docket in person, go to the address in the **ADDRESSES** section of this preamble between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. You may also review the docket using the Internet at the Web address in the **ADDRESSES** section.

Privacy Act: Using the search function of our docket Web site, anyone can find and read the comments received into any of our dockets, including the name of the individual sending the comment (or signing the comment on behalf of an association, business, labor union, and so on.). You may review DOT's complete Privacy Act Statement in the **Federal Register** (65 FR 19477–78, April 11, 2000) or you may visit *http://dms.dot.gov*.

Before acting on this proposal, we will consider all comments received on or before the closing date for comments. We will consider comments filed late if it is possible to do so without incurring expense or delay. We may change this proposal in light of the comments received.

If you mail your comments and want us to acknowledge receipt of your comments on this proposal, include with your comments a pre-addressed, stamped postcard on which the docket number appears. We will stamp the date on the postcard and mail it to you.

Readers should note that the FAA has posted on its Web site (*http://www.faa.gov/aircraft/draft_docs/*) four draft Advisory Circulars (ACs). These ACs describe ways to comply with the requirements of this NPRM. We invite you to send comments on the draft ACs to reach us by the date specified in the **DATES** section of this NPRM. Send your comments using any of the methods described in the **ADDRESSES** section of this NPRM. Note that the docket for AC comments (FAA–2006–25882) is different from the docket for NPRM comments.

II. Availability of Rulemaking Documents

You can get an electronic copy using the Internet by—

(1) Searching the Department of Transportation's electronic Docket Management System (DMS) Web page (*http://dms.dot.gov/search*);

(2) Visiting the Office of Rulemaking's Web page at *http://www.faa.gov/avr/arm/index.cfm*; or

(3) Accessing the Government Printing Office's Web page at *http://www.access.gpo.gov/su_docs/aces/aces140.html*.

You can also get a copy by sending a request to the Federal Aviation Administration, Office of Rulemaking, ARM–1, 800 Independence Avenue, SW., Washington, DC 20591, or by calling (202) 267–9680. Make sure to identify the docket number, notice number, or amendment number of this rulemaking.

III. Proprietary or Confidential Business Information

Do not file in the docket information that you consider to be proprietary or confidential business information. Send or deliver this information directly to the person identified in the **FOR FURTHER INFORMATION CONTACT** section of this document. You must mark the information that you consider proprietary or confidential. If you send the information on a disk or CD ROM, mark the outside of the disk or CD ROM and also identify electronically within the disk or CD ROM the specific information that is proprietary or confidential.

Under 14 CFR 11.35(b), when we are aware of proprietary information filed with a comment, we do not place it in the docket. We hold it in a separate file to which the public does not have access, and place a note in the docket that we have received it. If we receive a request to examine or copy this information, we treat it as any other request under the Freedom of Information Act (5 U.S.C. 552). We process such a request under the DOT procedures found in 49 CFR part 7.

IV. Guide to Terms and Acronyms Used in This Document

APIS—Approved Production Inspection System
ARAC—Aviation Rulemaking Advisory Committee
BAA—Bilateral Airworthiness Agreement
BASA—Bilateral Aviation Safety Agreement
EASA—European Aviation Safety Agency
FAA—Federal Aviation Administration
FR—**Federal Register**
ICAO—International Civil Aviation Organization
NPRM—Notice of Proposed Rulemaking
PAH—Production Approval Holder
PC—Production Certificate
PMA—Parts Manufacturer Approval
STC—Supplemental Type Certificate
TC—Type Certificate
TSO—Technical Standard Order

V. Authority for This Rulemaking

Under the laws of the United States, the Department of Transportation has the responsibility to develop transportation policies and programs that contribute to providing fast, safe, efficient, and convenient transportation (49 U.S.C. 101). The Federal Aviation Administration (FAA or ''we'') is an agency of the Department. The FAA has general authority to issue rules regarding aviation safety, including minimum standards for appliances and for the design, material, construction, quality of work, and performance of aircraft, aircraft engines, and propellers (49 U.S.C. 106(g) and 44701). We may also prescribe regulations in the interest of safety for registering and identifying an aircraft engine, propeller, or appliance (49 U.S.C. 44104).

The FAA may issue, among other things, type certificates, production certificates and airworthiness certificates (49 U.S.C. 44702). We issue a production certificate authorizing the production of a duplicate of an aircraft, aircraft engine, propeller, or appliance for which a type certificate has been issued when we find the duplicate will conform to the certificate. We may include in a production certificate terms required in the interest of safety. We issue an airworthiness certificate for an aircraft when we find the aircraft conforms to its type certificate and is in condition for safe operation. We may include in an airworthiness certificate terms required in the interest of safety (49 U.S.C. 44704).

In this document, we are proposing changes to our regulations governing the certification procedures for products and parts and our requirements for identification and registration marking. These changes will improve the quality standards applicable to manufacturers, which helps ensure that aircraft and aircraft parts are produced as designed and are safe to operate. These changes will also make it easier for manufacturers to produce and obtain aircraft parts in the global marketplace, which should aid the efficiency and competitiveness of the industry. We are also proposing to upgrade and standardize our requirements for marking parts intended for use in aviation. These changes will make it easier to determine whether the correct parts are installed, which should contribute to a greater degree of safety. For these reasons, this proposal, if adopted, would be a reasonable and necessary exercise of the FAA's rulemaking authority and obligations.

VI. Background

Although 14 CFR part 21 has been amended approximately eighty times since it was codified in 1964, the current requirements of part 21 largely reflect their original form. The origins of many of these regulations can be traced back even further to the Civil Air Regulations codified in 1937. In contrast, the following table summarizes how the aircraft-manufacturing environment has changed significantly over the last several decades:

In the 1960's—	Today—
Most transport category aircraft were manufactured in the U.S.	Transport category aircraft are manufactured in a global environment.
The typical business model consisted of a production certificate holder with a relatively small number of suppliers..	The number of suppliers has increased dramatically. These suppliers manufacture a greater percentage of a given aircraft
These suppliers were mainly located in the U.S.	Suppliers are located all over the world.
	Forming partnerships and risk sharing agreements are common approaches to lowering costs, sharing risks, and opening markets.
	Manufacturers collaborate globally to reduce duplicate requirements for shared suppliers.
Production certificate holders oversaw the manufacture of replacement parts.	The production of replacement parts under parts manufacturer approvals has increased dramatically.
The international market for aviation products was relatively small	The international market for aviation products has increased dramatically.
The U.S. had few bilateral agreements with other countries for the export and import of aviation products. These agreements were limited in scope.	The U.S. has approximately 30 bilateral agreements with other countries. These agreements have, in comparison, a much broader scope.

In recognition of the need to respond to these changes, the FAA gave the Parts Working Group and the Product Certification Working Group of the Aviation Rulemaking Advisory Committee the task of recommending changes to 14 CFR parts 21 and 45 on March 19, 1993 (58 FR 16572, 16574). The working groups made their recommendations on November 6, 1998. Major concepts proposed by the

working groups and incorporated into this NPRM include:

- Adding a new class of parts called ''commercial parts;
- Expanding the definition of ''standard parts;''
- Requiring a completed airworthiness approval for each new aircraft engine, propeller, part, appliance, or article;
- Giving production approval holders responsibility for issuing the airworthiness approval;
- Enhancing and standardizing quality system requirements for all production approval holders (PAHs) to reflect industry best practices; and
- Requiring components of products, parts, appliances, and their components to be marked.

This NPRM also addresses issues that were not among the working groups' recommendations.

VII. General Discussion of the Proposal

Although part 21 has, so far, provided effective certification procedures for products and parts to help foster aviation safety, it does not adequately reflect changes in the global aircraft manufacturing environment. Accordingly, the changes we are proposing would update and standardize requirements related to production approvals; promote a safer aviation industry; reflect the global nature of manufacturing; and reflect the global acceptance of products and parts under bilateral agreements between the United States and other countries or jurisdictions.

Standardization

Part 21 includes procedural rules related to three kinds of production approvals:

- Production Certificates (PC) in subpart G.
- Parts Manufacturer Approvals (PMA) in subpart K.
- Technical Standard Order (TSO) authorizations in subpart O.

The rules pertaining to each of these production approvals are different. For example, subparts G and O require each applicant for a PC and TSO authorization respectively to establish a quality system. The applicants must also provide, for FAA approval, data describing the inspection and test procedures necessary to ensure that each article produced conforms to its type design and is in a condition for safe operation. Applicants have typically met this requirement by providing the necessary information in the form of a manual. In contrast, subpart K requires each PMA applicant to provide a statement certifying that the applicant has established the fabrication and inspection system that meets the requirements of the subpart. Subpart K does not require a quality manual or any other documentation of the fabrication and inspection system. These differences can be confusing. They also support an industry perception that the quality of products or articles produced under different types of production approvals is different. This proposal would revise subparts G, K, and O to harmonize requirements for production approval holders. It would also keep industry from having to maintain, and the FAA from having to oversee, multiple systems and procedures caused by these regulatory differences.

Production Approval Holder's Organization

This proposal would require each applicant for, or holder of, a PC, PMA, or TSO authorization to provide the FAA with a description of the applicant's management organization and how that organization would ensure compliance with the provisions of subpart G, K, or O, respectively. At a minimum, the description would include assigned responsibilities and delegated authority, and the functional relationship of those responsible for quality to management and other organizational components. This requirement already applies to PC holders under existing § 21.143(a)(1), but the proposal would extend it to PMA and TSO authorization holders also. Refer to proposed §§ 21.135, 21.305, and 21.605.

The FAA understands the need for various business models and organizational structures and, therefore, would not mandate a particular structure to address quality system requirements. The intent of this requirement is for the top management of the production approval holder to establish and continually improve a quality system that ensures each product and article conforms to its approved design and is in a condition for safe operation.

A quality system is widely recognized as necessary for continual improvement in manufacturing. This recognition is reflected in industry best practices and the global trend toward implementing the following international quality standards:

- International Organization for Standardization (ISO) 9001, ''Quality Management Systems—Requirements;'' and
- Society of Automotive Engineers, Inc., International AS9100, ''Quality Systems—Aerospace—Model for Quality Assurance in Design, Development, Production, Installation, and Servicing.''

The FAA believes adhering to these standards will enable the PAH to meet its responsibilities under proposed part 21. The intent of this proposal is also to ensure that—

- These international quality standards are communicated to PC, PMA, and TSO authorization holders;
- Responsibility, authority, and interrelation of personnel who manage, perform, and verify work affecting quality are commensurate with these commitments and are clearly defined and communicated within the organization; and
- Decisions with regard to quality and airworthiness are not unduly influenced by other considerations (for example, cost and schedule); and that the quality system is free to comply with applicable regulations and the FAA approved quality manual.

If this proposal is adopted, the FAA will develop guidance material on these issues.

Production Approval Holder's Quality System

Currently, the quality system requirements for holders of PMAs are different from quality system requirements for holders of PCs and TSO authorizations. This proposal would standardize the quality system requirements for all PAHs. This proposal would also enhance and modernize quality system requirements to reflect the industry best practices and the global trend toward implementing the international quality standards listed above.

A quality system consists of the organizational structure, responsibilities, procedures, processes, and resources for ensuring the overall quality of products through the actions of management and individuals. A quality system incorporates quality assurance and quality control, both of which support the quality system. Quality assurance refers to planned or systematic actions necessary to provide confidence that a product will satisfy given requirements for quality. Quality control refers to operational techniques and activities used to fulfill requirements for quality.

This proposal would require that the quality system include elements as defined in proposed § 21.137(a) through (o) of subpart G. These requirements would be incorporated by reference into subparts K and O (proposed §§ 21.307 and 21.607). The FAA would develop guidance materials, such as an Advisory Circular, to provide guidance to PAHs for showing compliance with these

requirements. The FAA expects that the quality systems of most PAHs already meet the majority of these proposed requirements, as most of these proposals are already industry best practices.

Quality Manual

This proposal would require each applicant for a PC, PMA, or TSO authorization to provide a quality manual describing its quality system to the FAA for approval. Currently, subparts G and O require each applicant for a PC or TSO authorization to establish a quality system and provide for FAA approval data describing the inspection and test procedures necessary to ensure that each article produced conforms to its type design and is in a condition for safe operation. Applicants have typically met this requirement by providing the necessary information in the form of a manual. Subpart K, however, does not explicitly require documentation of the PMA holder's fabrication and inspection system in the form of a manual. Just as other proposals in this NPRM would standardize quality system requirements for all PAHs, the intent of this proposal is also to standardize the requirements for documenting the quality system in a quality manual. The quality manual must address each of the requirements related to the quality system in subparts G, K, or O for an applicant for a PC, PMA, or TSO authorization. The quality manual must also address revisions to the manual, and a means of tracking revisions to the manual, that is acceptable to the FAA. In addition, this proposal would require the quality manual to be in the English language and retrievable in a form acceptable to the FAA. The intent of this proposal is to ensure that regardless of the media used, the quality manual is easily available to PAH and FAA personnel who need to use this documentation for performing their duties. The quality manual may be in a digital, computer-based medium.

Location of or Change to Manufacturing Facilities

This proposal would standardize the language of current §§ 21.137, 21.303(g), and 21.601(c) pertaining to the location of manufacturing facilities for a holder of a PC, PMA, and TSO authorization. In addition, this proposal would add a requirement that the holder of each type of production approval obtain advance approval from the FAA for any change to its manufacturing facilities that could affect the inspection or airworthiness of its products or articles, including changes to the location of any of its manufacturing facilities. See proposed §§ 21.139(b), 21.309(b), and 21.609(b). Examples of changes that could affect the inspection or airworthiness of a product or article include (1) A significant increase in production capacity and (2) a substantial rearrangement of space within the present location. These are some of the types of change that would require FAA approval in advance to verify the change is in compliance with subpart G, K, or O, as applicable.

Currently, under § 21.159, a PC is no longer effective if the location of the manufacturing facility is changed. The holder of a PMA only needs to notify the FAA of a change in location of its manufacturing facilities. Subpart O is silent regarding a change in the location of manufacturing facilities for the holder of a TSO authorization.

The intent of this proposal is to standardize the requirements applicable to changes in manufacturing facilities for all PAHs. A change in a manufacturing facility would use an approval process instead of a certificate termination and re-application process under the current requirements of §§ 21.159 and 21.143. This approval process would enhance safety by ensuring an appropriate level of FAA oversight of changes to manufacturing facilities of all PAHs. This requirement does not apply to suppliers. The FAA approves the supplier control procedures a PAH would use in selecting and controlling its suppliers. A change in the supply base would not require FAA approval.

Inspections and Tests

This proposal would standardize the language of current §§ 21.157, 21.303(e) introductory text, and 21.615 pertaining to inspections and tests for an applicant for, or a holder of, a PC, PMA, and TSO authorization. In addition, the proposal would amend these requirements to clarify that they apply to supplier facilities. The intent of this proposal is to ensure the FAA has the requisite access to facilities and cooperation of the manufacturer to administer applicable requirements of Title 49 U.S.C. and this subchapter.

Issuance of a Production Approval

This proposal would standardize the language of current requirements pertaining to the issuance of a PC, PMA, and TSO authorization in §§ 21.135, 21.303(d), and 21.605(c). In addition, this proposal would remove the detailed description of FAA responsibilities related to issuance. This information is better placed in internal directives.

Transferability of a Production Approval

This proposal would standardize the language and format of requirements pertaining to transferability of a PC, PMA, and TSO authorization currently in §§ 21.155, 21.303(i), and 21.621. This change would make the language of subparts G, K, and O consistent.

Responsibility of Production Approval Holder

This proposal would establish requirements for the holder of a PC, PMA, or TSO authorization as set forth in paragraphs (a) through (g) of §§ 21.146, 21.316, and 21.616. All holders of a production approval would have the same responsibilities under this part.

Changes in Quality System

Currently, § 21.147 requires the holder of a PC to notify the FAA of any change that may affect the inspection, conformity, or airworthiness of the product. This proposal would include ''articles'' as well as products in the requirement. As discussed later in this preamble, the proposal would define ''article'' as ''material, part, component, process, or appliance.'' We are also proposing to add this expanded notification requirement to subparts K and O, which are applicable to holders of PMA and TSO authorizations respectively. The intent of this proposal is to standardize requirements for all PAHs.

Export Airworthiness Approvals

Subpart L contains regulations that apply to the export of a product or article. It is important to note that even though an export airworthiness approval is required only when requested by an importing authority, such documents have become increasingly valued within the aviation industry. The primary purpose of an export airworthiness approval is to notify the importing authority, and ultimately the end-user, of the airworthiness status (*i.e.*, conformity of design requirements and condition for safe operation) of the subject product or article.

Such airworthiness notifications serve the needs of both the civil airworthiness authority approving the product or article for import, and the end-user who intends to place it into operation. Products and articles having original airworthiness approvals upon export, even though not specifically required by the importing civil airworthiness authority, have increased sales potential when destined for use outside the U.S.

This proposal would revise this subpart to:

- Relieve U.S. manufacturers and exporters of burdens presently associated with obtaining export airworthiness approvals by:
- Permitting production approval holders, under privileges extended through their approved quality system(s), to issue export airworthiness approvals for the aircraft engines, propellers, appliances, and parts they manufacture (this is presently only accomplished by individual or organizational designees of the FAA);
- Permitting production approval holders to issue export approvals for products and articles they manufacture regardless of their location (this is presently limited to products and articles located in the United States only); and
- Removing the requirement, unless specifically mandated by an importing civil airworthiness authority, that used aircraft engines, propellers, appliances, and parts be newly overhauled before their export;
- Relegate the detailed procedures pertaining to the export process presently contained in the regulation to FAA policy/directives; and
- Implement a definition of ''product'' which would be consistent with the terminology in the rest of Part 21 and with Bilateral Aviation Safety Agreement Implementation Procedures for Airworthiness.

Part Marking

The regulations currently require marking of aircraft, aircraft engines and propellers, critical and life-limited parts, PMA parts, and TSO articles. The regulations do not currently require that individual components or spare components of the above items be individually marked, although most manufacturers do so for their own quality assurance and traceability purposes. Under this proposal, manufacturers would have to mark each component of an aircraft, aircraft engine, or propeller; each part and each component of that part; and each appliance and each component of that appliance.

The lack of marking requirements down to the component level has sometimes hindered field identification when articles must be replaced, serviced, or removed from service, and during accident investigations. This proposal would also standardize minimum part-marking requirements to include an identification of the person who produced the part and a part number. In addition, TSO articles would still have to be marked with the markings required by the applicable TSO. The intent of these proposals is to reduce the potential for installing unapproved parts on FAA type-certificated products, facilitate airworthiness determinations, standardize part-marking requirements, facilitate the international delivery of parts, and provide information to accident investigators that may help prevent future accidents. This change would also simplify the regulations by consolidating all detailed marking requirements in part 45.

VIII. Subpart-by-Subpart Summary of the Proposal

The following table summarizes the major proposals included in this NPRM:

This NPRM proposes to amend 14 CFR—	To—
Part 1	Expand the definition of ''Approved.''
Part 21 Subpart A—General	Add definitions of the following terms: ''airworthiness approval,'' ''article,'' ''commercial part,'' ''design approval,'' ''production approval,'' ''standard part,'' ''State of Design,'' and ''State of Manufacture.''
	Amend § 21.3(f) to require all PAHs, instead of just TSO authorization holders, to report the results of their investigations into certain accidents or service difficulty reports.
Part 21 Subpart B—Type Certificates	Require an applicant for a TC or STC to provide a statement certifying the applicant has shown compliance with applicable requirements.
	Amend requirements related to domestic and international transfers of TCs.
Part 21 Subpart D—Changes to Type Certificates.	Require an applicant for a major change in type design to provide a statement certifying the applicant has shown compliance with applicable requirements.
Part 21 Subpart F—Production under Type Certificate.	Require a person producing under a TC to obtain an airworthiness approval (FAA Form 8130–3), issued by the FAA or its designee, for each engine, propeller, and article produced under that TC.
	Delete reference to an approved production inspection system (APIS). A person who is producing under a TC would be required to obtain a PC in accordance with subpart G within 6 months of the date the TC was issued or the effective date of the final rule, whichever is later.
Part 21 Subpart G—Production Certificates	Enhance quality system requirements to reflect current industry standards and best practices.
	Require that an airworthiness approval (FAA Form 8130–3) be issued by the PAH for each engine, propeller, or article manufactured under this subpart.
Part 21 Subpart H—Airworthiness Certificates	Allow for issuing an airworthiness certificate for an aircraft imported to the U.S. via an export certificate of airworthiness if— • Type certificated in accordance with §§ 21.21, 21.25, or 21.29; and • Produced under the authority of another State of Manufacture.
	Allow FAA to accept performance standards equivalent to the 100-hour inspection requirement and expand provisions governing who may perform these inspections.
Part 21 Subpart K—Parts Manufacturer Approvals.	Revise subpart K, using proposed subpart G as a model, to reduce the scope of subpart K to PMAs only: Move §§ 21.303(a) and (b) (Replacement and modification parts) to part 21 subpart A and amend these sections to— Add ''commercial parts'' as acceptable replacement and modification parts. Prohibit a person who produces a replacement or modification part for sale from representing that part as suitable for installation on a type-certificated product unless that part is a commercial part, a standard part, or produced under part 21 subpart F, G, K, or O. Move § 21.305 (Approval of materials, parts, processes, and TSO articles) to part 21 subpart A.
	Impose the same quality system and quality manual requirements as for PCs.
	Require that an airworthiness approval (FAA Form 8130–3) be issued by the PAH for each part manufactured under this subpart.

This NPRM proposes to amend 14 CFR—	To—
	Add a statement of compliance requirement for PMA applicants.
Part 21 Subpart L—Export Airworthiness Approvals.	Completely revise subpart L to facilitate global acceptance and movement of products and articles and remove prescriptive language.
	Delete definitions and use of the terms, ''Class I,'' ''Class II,'' and ''Class III'' products.
	Remove § 21.323(b) restrictions related to who may obtain an export airworthiness approval for Class III products.
	Remove § 21.325(b)(3) requirement that Class II and III products be located in the U.S.
	Limit the use of an Export Certificate of Airworthiness (FAA Form 8130–4) to aircraft.
Part 21 Subpart N—Acceptance of Aircraft Engines, Propellers, and Articles for Import.	Correct subpart N and its title to replace ''approval'' with ''acceptance.'' Design approvals are not issued under part 21 subpart N. Mark each article in accordance with part 45.
Part 21 Subpart O—Technical Standard Order Approvals.	Rewrite subpart O using proposed subpart G as a model.
	Impose the same quality system and quality manual requirements as for PCs.
	Require an airworthiness approval (FAA Form 8130–3) be issued by the PAH for each article manufactured under this subpart.
Part 45 Subpart B—Identification of Products, Parts, Appliances, and TSO Articles.	Add requirements governing who must mark products, parts, appliances, and TSO articles. Add exceptions for the aircraft identification plate location requirement for aircraft operated under part 121, commuter aircraft, and for gliders.
	Consolidate part-marking requirements to part 45.
	Require identification of the manufacturer and part number for each component of each product, part, appliance, and TSO article manufactured by a PAH.
	Delete ''FAA–PMA'' and ''installation eligibility'' requirements for PMA parts.

In addition to the substantive changes discussed in detail below, we are also proposing editorial changes to the language of parts 21 and 45 for the purposes of clarity and consistency. These editorial changes include updating the terminology used in cross referencing other regulations, using consistent terms to describe duties and obligations, and eliminating gender bias. This proposal includes a reorganization of portions of parts 21 and 45, including changes to several section headings. For further details, refer to the derivation and distribution tables provided later in this preamble.

IX. Description of Specific Changes

14 CFR Part 1—Definitions and Abbreviations

Section 1.1 General Definitions

This proposal would expand the definition of ''Approved'' to include approvals under the provisions of a bilateral agreement between the United States and a foreign country or jurisdiction. For decades, the United States has had BAAs, and, more recently, BASA Implementation Procedures for Airworthiness with other countries. Before making these agreements, the FAA thoroughly reviews the certification and production systems of the foreign country or jurisdiction, including its processes and regulations. The FAA does not sign an agreement unless the FAA has confidence in the system of that country or jurisdiction for certifying aviation products and overseeing the design organizations and manufacturers under their authority. These agreements are intended to eliminate redundant processes and allow the FAA to treat data approved by that country or jurisdiction as data approved by the FAA. Accordingly, the intent of this proposal is to clarify that data approved by a foreign country or jurisdiction under a bilateral agreement does not require further FAA approval. Furthermore, the intent of ''jurisdiction'' is to provide similar clarification for agreements with entities, such as the European Union (EU), that are not countries.

Section 1.2 Abbreviations and Symbols

This proposal would add the following definitions of abbreviations:

- *PMA* means parts manufacturer approval.
- *TSO* means technical standard order.

The intent of this proposal is to adopt long-standing and widely used acronyms to simplify and clarify the language of the regulations.

14 CFR Part 21—Certification Procedures for Products and Parts

Subpart A—General

Section 21.1 Applicability and Definitions

This proposal would revise paragraph (a)(1) of this section to provide a complete list of the types of approvals that part 21 addresses—Design approvals, Production approvals, Airworthiness certificates, and Airworthiness approvals. The only production approval listed in the current paragraph is the PC. Definitions for the three ''approvals'' would be added to paragraph (b) of this section.

This proposal would revise paragraph (a)(2) of this section to clarify that part 21 contains rules that apply to both applicants for and holders of any approval or certificate specified in paragraph (a)(1) of this section.

This proposal would define ''airworthiness approval'' in paragraph (b)(1) as an export certificate of airworthiness issued for an aircraft; or a document issued for an aircraft engine, propeller or article certifying that the aircraft engine, propeller, or article meets its approved design and is in a condition for safe operation. An export certificate of airworthiness is currently issued and would continue to be issued using FAA Form 8130–4 to certify that an aircraft to be exported conforms to its type design and is in a condition for safe operation. FAA Form 8130–3 would be used to certify that an aircraft engine, propeller, or article conforms to its approved design and is in a condition for safe operation. FAA Form 8130–3 would be used domestically as regulated by subparts F, G, K, and O. In addition, FAA Form 8130–3 would be used for export of an aircraft engine, propeller, or article as regulated by subpart L. The intent of this proposal is to provide a simpler way to refer to these types of approvals.

This proposal would define ''article'' in paragraph (b)(2) as a ''material, part, component, process, or appliance'' to simplify the regulatory language. This proposal would add a new classification of parts, called ''commercial parts,'' defined in paragraph (b)(3) as a part that the FAA design approval holder designates a commercial part. The FAA must find the part is not specifically designed or produced for applications

on aircraft and is produced only under the commercial part manufacturer's specification and marked only with the commercial part manufacturer's markings. The FAA makes this finding when it reviews an application for a design approval or changes to an existing design approval.

For years, industry has used the term, ''commercial parts,'' in referring to parts that are not designed or manufactured specifically for aviation use such as light bulbs, fire axes, smoke detectors, and so on. Whereas a standard part specification is developed by a consensus standards organization and is publicly available, the design for a commercial part is developed privately.

The FAA recognizes that it is unrealistic to expect manufacturers making thousands of non-aviation parts per day and relatively few aviation parts to obtain a PMA. Enforcement of PMA violations is difficult because the FAA has often been unable to show that these manufacturers are producing with the intent to sell their parts for installation on a type-certificated product. The intent of this proposal is to create a replacement parts classification for commercial parts, allowing an operator to install commercial parts on a type-certificated product without having to obtain parts manufactured under a PMA. This proposal will also allow manufactures to continue to use parts now categorized as commercial parts in their type designs. The added benefit of the proposal is to now have the manufacturers specifically identify for FAA approval the commercial parts they intend to use.

This proposal would define ''design approval'' in paragraph (b)(4) as a type certificate (including amended and supplemental type certificates) or the approved design under a PMA, TSO authorization, letter of TSO design approval, or other approved design. The intent of this proposal is to provide a convenient way to refer to all types of design approvals. This definition, in conjunction with the definition for ''production approval,'' helps to clarify that PMA and TSO authorizations are dual approvals consisting of both a design approval and a production approval. In addition, ''other approved design'' is intended to include approvals that meet the proposed definition of ''approved'' in 14 CFR part 1.

Proposed paragraph (b)(5) would delete the special definition of ''product'' for subpart L. This revised definition eliminates the need for defining ''classes'' of products in subpart L. The intent of this proposal is to allow use of the term ''product'' consistently throughout part 21 and to harmonize with the use of this term in Bilateral Aviation Safety Agreement Implementation Procedures for Airworthiness and Annex Part 21 of European Union regulations.

This proposal would define ''production approval'' in paragraph (b)(6) to mean a production certificate, an approval to produce an article under a TSO authorization, or an approval to produce a part or appliance under a PMA. The intent of this proposal is to provide a convenient way to refer to all types of production approvals. In addition, this definition, in conjunction with the definition of ''design approval,'' helps to clarify that a PMA and a TSO authorization are dual approvals consisting of both a design approval and a production approval.

Proposed paragraph (b)(7) would redesignate and expand the definition of ''standard parts'' in existing § 21.303(b)(4) to include parts conforming to a specification established by a foreign government agency or a consensus standards organization. In addition, this proposal would indicate that a ''specification'' may include design, manufacturing, test, and acceptance criteria, and uniform marking requirements; or performance criteria and uniform marking requirements that have been found by the FAA to be adequate for making a finding of airworthiness for that part. This reflects our current interpretation of the word ''specification'' (62 FR 9923, March 5, 1997).

Certain discrete (non-programmable) electrical and electronic parts meeting an accepted performance standard would be classified as standard parts. These parts conform not on the basis of their physical configuration, but by meeting the specified performance criteria.

This proposal would define ''State of Design'' in paragraph (b)(8) to mean the State having jurisdiction over the organization responsible for the type design or other approved design, including those entities who are not ICAO contracting States but who exercise authority over an organization responsible for the type design or other approved design. Examples of other approved designs include PMAs or TSO authorizations.

This proposal would also define ''State of Manufacture'' in paragraph (b)(9) to mean the State having jurisdiction over the organization responsible for the production, final assembly, and final determination of airworthiness of the product or article, including those entities who are not ICAO contracting States but who exercise authority over an organization responsible for the production, final assembly, and final determination of airworthiness of the product or article.

The intent of these proposals is to harmonize our regulations with ICAO standards and recommended practices. Therefore, we have incorporated modified versions of the definitions of ''State of Design'' and ''State of Manufacture'' from Annex 8 to the Convention on International Civil Aviation (Ninth Ed., July 2001). We are proposing to modify these definitions to include those countries or organizations who are not ICAO members, but who exercise authority over organizations that are responsible for design and manufacturing approvals. This would allow the regulations to accommodate those entities, like EASA, who are not contracting ''States'' to the Convention on International Civil Aviation (Chicago Convention), 61 Stat. 1180. For the purposes of this proposal, the word ''State'' does not refer to one of the United States, but to a country that is a signatory to the Chicago Convention and a member of ICAO.

Section 21.2 Falsification of Applications, Reports, or Records

This proposal would amend § 21.2(a)(1) and (2) to prohibit persons from making misleading statements on applications for certificates or approvals or in any record or report that is required to be kept, made, or used to show compliance with any requirement of this part.

We are proposing this amendment because the installation of products or articles that are mistakenly believed to be airworthy or suitable for installation on type-certificated products poses an unacceptable risk to aviation safety. Under FAA regulations, the person installing a product or article on an aircraft is responsible for determining its airworthiness. Because these individuals cannot determine airworthiness simply by inspecting the item, they often rely on the information provided by whoever sold them the product or article to support their airworthiness decisions. There have been cases in which false or misleading statements have led persons installing aviation products or articles to believe that they were suitable for a particular use when, in fact, they were not.

Records containing misleading statements about the quality of aviation products or articles have a potentially large impact on the safety of the flying public. The existing rule only covers fraudulent and intentionally false statements. The FAA has determined

that including a prohibition against misleading statements would be a more comprehensive solution.

This proposal would adopt the ''misleading'' standard set forth at 14 CFR 3.5(c) and discussed in the FAA final rule on False and Misleading Statements Regarding Aircraft Products, Parts, Appliances and Materials. (70 FR 54822, Sept. 16, 2005) For the purposes of this proposal, a misleading statement requires a material representation or omission that is likely to mislead the consumer, and the consumer acting with reasonable reliance under the circumstances. Misleading statements include misrepresentations as well as failures to disclose material information.

In determining whether the statement or omission is misleading, the FAA would examine the overall impression created by the representation before taking enforcement action. We would contact the person making the statement to discuss why the statement appears misleading and would consider that honest mistakes are made. However, if the statement is not corrected so as to remove its misleading character, or the mistake is one of a series of such mistakes, the FAA will presume knowledge on the part of the person sufficient to take enforcement action.

In addition, existing § 21.2(a)(2) currently refers to an—

> Entry in any record or report that is required to be kept, made, or used to show compliance with any requirement for the issuance or the exercise of the privileges of any certificate or approval issued under this part.

This proposal would change this to an—

> Entry in any record or report that is kept, made, or used to show compliance with any requirement of this part.

The term *record* includes all forms of records, including paper, microfilm, identification plates, stamped marks on parts, bar codes, and electronic records. In general, part 21 does not require a particular type of records or reports to be kept, made, or used. Accordingly, industry uses various types of records and reports to show compliance with this part. This proposal would increase the scope of records and reports used to show compliance with any requirements ''for the issuance and exercise of the privileges of any certificate or approval'' to those records and reports used to show compliance with any part 21 requirement. These proposals are intended to strengthen the ability of the FAA to ensure that design, production, and airworthiness certifications and approvals are based on truthful and complete information.

Currently, § 21.2(b) addresses only suspension and revocation of existing certificates and approvals, and does not define consequences for prohibited actions that occur before a certificate or approval is issued. This proposal would expand the consequences of committing prohibited actions in paragraph (b) to include denying issuance of any certificate or approval under this part. This change is intended to clarify the FAA's right to deny issuance of certificates or approvals when the prohibited actions occur before the FAA issues the certificate or approval.

Section 21.3 Reporting of Failures, Malfunctions, and Defects

This proposal would amend § 21.3(d)(2) to clarify that approvals, not type certificates, are issued under proposed § 21.621.

This proposal would amend § 21.3(e)(3) to replace specific product and part identification requirements with a reference to part 45 where these part-marking requirements are defined. The intent of this proposal is to—

- Consolidate detailed part-marking requirements in part 45; and
- Expand reporting requirements to include all applicable product and part identification information required by part 45 to enhance the FAA's ability to respond to service difficulty reports.

Currently, § 21.3(f) requires only holders of TSO authorizations to report the results of their investigations and corresponding corrective actions. However, holders of TSO authorizations represent less than 20% of all PAHs. The current regulation inhibits the FAA's oversight of investigations and corrective actions for the great majority of the industry. This proposal would amend § 21.3(f) to expand this reporting requirement to apply to all PAHs. The intent of this change is to enhance the FAA's ability to respond to service difficulty reports for all products and articles manufactured under this part.

Section 21.7 Approval of Articles

This proposal would relocate current § 21.305 from subpart K to allow us to limit subpart K to PMA requirements only. It would also amend § 21.305(b) to remove the second and third sentences since these sentences are advisory in nature.

Section 21.9 Replacement and Modification Parts

This proposal would relocate existing § 21.303(a) and (b) from subpart K and combine them into one paragraph as § 21.9(a). The intent of this proposal is to apply these requirements to all production approval holders and to limit subpart K to PMA requirements only.

Proposed § 21.9(a)(4) would allow manufacturers to produce ''commercial parts,'' as defined in proposed § 21.1(b), for use in aviation without PMA. To use a ''commercial part'' in the design of a product or part, a design approval holder would provide a list of proposed commercial parts to the appropriate FAA aircraft certification office (ACO) for approval. The design approval holder would identify the application or use of the commercial part and verify that the failure of the part would not degrade the safety of the product. A design approval holder would be responsible for preparing separate lists, for each product or article it manufactures, identifying all commercial parts by part number and nomenclature. The design approval holder would also be responsible for including the list of approved commercial parts, and any approved replacements for those commercial parts, in the manufacturer's maintenance instructions or Instructions for Continued Airworthiness. In addition, a design approval holder who would designate commercial parts would have to establish a system that—

- Provides for the review of the intended use and failure consequences of the commercial part on airplane safety;
- Maintains a list of all commercial parts incorporated into each FAA approved product type, TSO article, or PMA part as applicable;
- Furnishes the lists (and changes to the lists) to persons in accordance with existing § 21.50;
- Maintains current commercial parts lists to reflect design changes; and
- Records FAA approval of both the lists and their revisions.

Proposed § 21.9(b) would prohibit a person who produces a replacement or modification part for sale from representing that part as suitable for installation on a type-certificated product, except under the provisions of proposed § 21.9(a)(1) through (a)(4). Owners, operators, producers, and maintainers rely on these representations to determine the airworthiness of an aircraft, or the acceptability of products and parts for a given application; therefore these representations must be truthful. Likewise, there is a strong public interest in ensuring that replacement and modification parts meet applicable airworthiness standards and are produced under a quality system that ensures conformity to an approved design.

The meaning of the regulatory language, ''for sale * * * as suitable for installation on a type certificated product'' has been contested in FAA enforcement actions. In 1993, the FAA Administrator rendered a decision and order regarding the interpretation of § 21.303(a) in the case, *In the Matter of Pacific Sky Supply, Inc.,* FAA Order No. 93–19. The issue in the case was whether certain aircraft parts, produced without benefit of a parts manufacturer approval, were produced for sale for installation on type-certificated products. The Administrator held that the standard for determining whether there was a violation of the rule is that the Agency must show that the producer knew or should have known (at the time of production) that it was substantially certain that the parts produced without PMA would be installed on type-certificated products. The Administrator determined that this standard appropriately balances the FAA's duty to promote aviation safety by controlling the spread of unapproved parts and the producers' right to produce parts without FAA approval when it is insufficiently probable that the parts will end up on type-certificated aircraft.

The FAA needs to strengthen our ability to take compliance and enforcement action against producers of unapproved parts. Many parts used on type-certificated products can also be used on other types of aircraft, such as military or experimental aircraft, or in non-aviation applications. While a producer may be fully aware, and even intend, the parts will be used on type-certificated aircraft, proving that it was ''substantially certain'' that they would be so used can be impossible. In many cases, parts are sold to distributors, who then sell them to end-users without any inquiry as to where they will be ultimately installed. Once producers place parts into the stream of commerce, they can rightly claim that they have no knowledge of how the part is ultimately used. This makes proving ''substantially certain'' very difficult.

Because of the importance of ensuring that aviation parts are safe to use, we think a different standard is necessary. If manufacturers engage in business where it is reasonably likely that parts they produce will be installed on type-certificated products, then these manufacturers must not produce the parts, unless they meet one of the conditions of proposed § 21.9(a).

In evaluating whether a parts producer is violating this requirement, the FAA will look at all the relevant circumstances, including not only the actual purchaser of the parts, but also how the producer has marketed them (for example, catalogs, advertisements, claims of acceptability for FAA approval, installation instructions for type-certificated aircraft, shipping documents, and so on). If it appears that a producer outside the provisions of proposed § 21.9(a) has identified type-certificated products as a target market or that a producer represented its parts as suitable for installation on these products, the FAA will consider that to be strong evidence of a violation of proposed § 21.9(b). The FAA intends to interpret the term ''suitable'' broadly to cover any statement that expresses or implies that the product or article is acceptable for use on a type-certificated product. The following examples are some of the type of statements that can reasonably be interpreted to mean that FAA requirements for use on a specific type-certificated product have been met:

- ''Aviation quality.''
- ''Direct replacement for aircraft XX.''
- ''Ready to use in your aircraft.''
- ''Reproduction of (approved) part number XX.''
- ''Fits aircraft model XX.''
- ''Eligible for FAA approval.''

Under proposed § 21.9(b), such statements would be prohibited if they were false or misleading.

This proposal would also add new § 21.9(c) to allow a person to sell or represent a part as suitable for installation on a type-certificated aircraft if the part was declared surplus by the U.S. military, was intended for use on that model of U.S. military aircraft, and the person determines the part is in a condition for safe operation. The military owns all the data for its aircraft and provides this data to vendors in order to produce parts to support their aircraft. Surplus military aircraft certificated under §§ 21.25(a)(2) or 21.27 typically have supporting data for all parts. However, additional data can be obtained through the Freedom of Information Act (FOIA) process. Paragraph (c) falls under the processes and practices currently used and therefore presents no significant increase in cost to the FAA or an applicant.

Subpart B—Type Certificates

Section 21.20 Compliance With Applicable Requirements

This proposal would amend subpart B by adding § 21.20(a) to require an applicant for a TC, including an amended or supplemental type certificate (STC), to show compliance with all applicable requirements and to provide the FAA the means by which such compliance has been shown. Current § 21.33(a)(1) specifies that no aircraft, aircraft engine, propeller, or part thereof may be presented to the Administrator for test unless compliance with paragraphs (b)(2) through (b)(4) of that section has been shown. The intent of this proposal is to emphasize that the applicant is responsible for satisfying all applicable requirements.

The FAA has long-standing policy (FAA Order 8110.4, Type Certification Process) that stresses the applicant is responsible for performing an adequate review and assuring that all certification regulations have been complied with in the course of a product design approval project. This proposal would allow the FAA to exercise greater discretion in prioritizing its review of applications, to more effectively assign resources supporting the application process, and to select which aspects of an application to review more closely.

Proposed paragraph (b) would require an applicant for a TC, including an amended or supplemental TC, to provide a statement certifying that the applicant has complied with the applicable requirements. The FAA would still exercise its discretionary function to evaluate an application for compliance, but the statement of compliance would focus the applicant on its responsibility to comply with applicable requirements. A statement of compliance would be subject to the proposed § 21.2 requirements related to fraudulent, intentionally false, or misleading statements.

Section 21.47 Transferability

This proposal would revise this section to change the requirement for the timing of the notification for TC transfers, where the State of Design remains the same, and for TC licensing agreements. Currently, the regulation requires each grantor to notify the FAA within 30 days after the transfer of a certificate or execution or termination of a licensing agreement. This proposal would require notification before the transfer or before executing or terminating a licensing agreement to provide the FAA time to coordinate between affected FAA offices and to inform the prospective applicant of the responsibilities under this subchapter.

This proposal would also revise this section to require a grantor to notify the FAA of TC transfer where the State of Design is changing before the transfer occurs. When the current regulations were written, the FAA did not consider the need to address these types of TC transfers. However, TC transfers where the State of Design is changing have become commonplace and are

addressed in our bilateral agreements with other countries and jurisdictions. Transferring a TC where the State of Design is changing requires FAA coordination with the prospective State of Design to identify the detailed requirements in support of the transfer and to reduce any burden on the FAA for managing the certificate. This change is intended to provide the FAA time to coordinate with a prospective State of Design to support and execute a TC transfer. This is consistent with the ICAO Airworthiness Manual, Volume II, Section 2.6.

Subpart C—Provisional Type Certificates

Section 21.75 Application

This proposal would revise this section to remove detailed requirements related to where an applicant must apply for a provisional type certificate and, instead, to require filing with the appropriate aircraft certification office. The intent of this proposal is to provide flexibility to the FAA in managing the provisional type certification process and to enable more efficient and effective use of FAA resources. It is consistent with the open application process used for other design approvals.

Subpart D—Changes to Type Certificates

Section 21.97 Approval of Major Changes in Type Design

This proposal would revise paragraph (a) of this section to require an applicant for approval of a major change in type design to—

- Show that the changed product complies with the applicable requirements of this subchapter;
- Provide the FAA the means by which such compliance has been shown; and
- Provide a statement certifying that the applicant has complied with the applicable requirements.

The intent of this proposal is discussed under proposed § 21.20.

Subpart E—Supplemental Type Certificates

Section 21.117 Issue of Supplemental Type Certificates

This proposal would amend § 21.117 by removing the words ''if he'' from paragraph (a) and adding in their place the words ''if the FAA finds that the applicant.'' The intent of this change is to clarify that issuance of an STC occurs only after the FAA makes a finding of compliance to the applicable regulations.

Section 21.119 Privileges

This proposal would revise § 21.119(c) to clarify that the holder of an STC may obtain a production certificate for the change in the type design approved by that STC only if the STC holder meets the requirements of subpart G pertaining to the issuance of PCs. The FAA plans to issue guidance material concurrent with the final rule aimed at ensuring that any PCs issued meet the requirements of subpart G.

In accordance with 49 U.S.C. 44704(c), the FAA may include in a PC terms required in the interest of safety. These terms may limit the scope of activities authorized by the PC depending on the STC holder's quality system and the complexity of the design changes approved by the STC.

Subpart F—Production Under Type Certificate

Section 21.122 Location of or Change to Manufacturing Facilities

This proposal would amend subpart F by adding § 21.122(a) to clarify and relieve requirements related to location of manufacturing for production under a TC. Amendment 21–25 (Sept. 5, 1969, 34 FR 14068) clarified that subpart F is intended only for domestic production as follows:

> Section 21.130 comes under Subpart F which governs the production of products under a TC only. That subpart contains requirements that are not applicable to aircraft, aircraft engines and propellers manufactured in a foreign country.''

However, this intent is not clearly specified in subpart F. We considered amending subpart F to clarify that it does not apply to manufacturing in a foreign country, but decided instead to allow manufacturing under a TC in a foreign country as long as it causes ''no undue burden'' on the FAA. This proposal would facilitate global manufacturing under certain circumstances. The FAA would not allow production under a TC in a foreign country for a first-time applicant. However, if an applicant has a PC and produces major aircraft or engine components outside the U.S., the FAA would allow production under a TC for a new model if it determined that there would be no undue burden on the FAA in administering the applicable requirements of Title 49 U.S.C. and this subchapter.

This proposal would amend subpart F by adding § 21.122(b) to require FAA approval before making any changes to its manufacturing facilities that would affect the inspection or airworthiness of its products or articles, including changes to the location of any of its manufacturing facilities. These types of changes require FAA approval before they are implemented to ensure that the change is in compliance with this subpart. We are proposing a similar requirement for each type of production approval holder in proposed subparts G, K, and O.

Section 21.123 Production under type certificate

This proposal would revise the introductory text to include manufacturers of articles to clarify that the holder of a TC is authorized to manufacture articles for its type-certificated products.

Proposed paragraph (a) is based on existing paragraph (b) and removes language requiring technical data and drawings to be maintained at the place of manufacture and replaces it with references to sections where that information is defined more thoroughly. The intent of this proposal is to provide a more logical sequence of requirements and to remove duplicate requirements from the regulations.

Proposed paragraph (b) is based on existing paragraph (a) and would add the requirement that a TC holder must make each article available to the FAA for inspection. This is in addition to the existing requirement to make each product available.

Proposed § 21.123(c) is based on existing § 21.125(b)(10) and would require each manufacturer of a product or article under a TC to maintain completed inspection and test records for specified periods of time. These records would enable the manufacturer to prove to the FAA that it has properly completed and documented all inspections and tests required to ensure compliance with this subpart. This would place a requirement on manufacturers under a TC that already applies to other PAHs. The intent of this proposal is to ensure that manufacturers maintain evidence that indicates conformance or nonconformance of a product or article with regard to required inspections and tests.

In 1991, the FAA issued Notice 8120.13, Verification of Completeness, Accuracy, and Traceability of Manufacturing and Quality Records. This notice required a one-time evaluation of certain FAA PAHs to assess their record keeping and related internal audit procedures used in the production of civil aviation products and parts under part 21. This evaluation concluded that, although all PAHs were in compliance with the regulations, the current regulations do not ensure that the quality inspection records are

available at all PAHs when they are needed.

To resolve this issue, this proposal would increase the record retention requirements for all PAHs and for persons producing under a TC from two to five years for the products and articles manufactured under the approval and to at least ten years for critical components identified under proposed § 45.15(c) of this chapter. The intent of this proposal is to retain these records to support any future investigations related to failures, malfunctions, or defects that may occur or be discovered after the producer releases the product or article. This proposal is consistent with current industry best practices. The beginnings of these five-year and ten-year periods for a given product or article would correspond to the issuance of an airworthiness approval for that product or article. We specifically request comments on whether the proposed ten-year minimum record retention requirement is adequate for critical components.

This proposal would add new § 21.123(d) to require each manufacturer of a product or article being manufactured under a TC to allow the FAA to make any inspection or test, including any inspection or test at a supplier facility, necessary to determine compliance with this subchapter. ''Allowing'' means that the manufacture must—

- Give free and full access to facilities and information relevant to show compliance with this subchapter; and
- Provide appropriate assistance to the FAA to enable us to perform these inspections and tests.

Inspections and tests include audits, inquiries, questions, discussions, monitoring, witnessing, checks, flight and ground tests, and inspections of completed products and articles. The intent of this proposal is to ensure that the FAA has the requisite access to administer applicable requirements of Title 49 U.S.C. and this subchapter.

This proposal would add new § 21.123(e) to require each manufacturer under a TC to obtain an airworthiness approval, FAA Form 8130–3, from an FAA designee for each aircraft engine, propeller, or article produced under that TC as evidence or proof that it conforms to its approved design and is in a condition for safe operation. The FAA expects the TC holder to obtain this approval from a FAA designee. Only under exceptional circumstances would the FAA issue these approvals. The intent of this proposal is discussed under the description of proposed § 21.146(d) later in this preamble.

This proposal would remove current § 21.123(c) and (d) and replace them with proposed § 21.123(f) to eliminate production under an APIS and require TC holders to obtain a PC for that product in accordance with subpart G of this part within 6 months after the date of issuance of the TC. Under the current subpart F regulations, the FAA issues an APIS provided certain requirements are met. The APIS is a production approval for producing the same products that can be produced under a PC. Although APIS and PC quality system descriptions use different terms, they contain the same basic controls. For this reason, and the fact that there are very few APIS holders (3 APIS holders as of January 2005), the FAA proposes to eliminate APIS approvals and make all changes effective 18 months after publication of the final rule in the **Federal Register**.

Eighteen months after publication of the final rule, the FAA will rescind all existing APIS approvals. Persons manufacturing under an APIS would be expected to surrender their letter of APIS approval, manufacture under a TC if they choose to continue manufacturing, and have 6 months to obtain a PC under part 21 subpart G.

Section 21.130 Statement of Conformity

Under existing § 21.130, a statement of conformity is required only for products manufactured in the United States. This proposal would extend the applicability of this statement of conformity requirement to products manufactured outside the United States and to all articles. The intent of this proposal is to reflect the global manufacturing environment for aviation products and parts. We propose to include ''articles'' to facilitate the issuance of an airworthiness approval required under proposed § 21.123(e) for each aircraft engine, propeller, or article produced under subpart F.

This section currently requires a manufacturer under a TC to provide the FAA a statement that each product conforms to its type certificate and is in a condition for safe operation. Currently, manufacturers under a PC, PMA, or TSO authorization are not required to provide a statement that the products or articles they manufacture conform to the approved design and are in a condition for safe operation. This proposal would enhance safety by extending the statement of conformity requirements of existing § 21.130 to those producing under a PC, PMA, or TSO authorization, in the form of an airworthiness approval requirement. See proposed §§ 21.146(d), 21.316(d), and 21.616(d), respectively.

The statement required under existing § 21.130 must include, for aircraft, that the aircraft has been flight checked; and for each aircraft engine or variable-pitch propeller, a statement that the engine or propeller has been subjected to a final operational check. This proposal would remove the flight and operational check requirements of existing § 21.130 that are redundant to those currently found in §§ 21.127(a), 21.128, and 21.129, while retaining the conformity statement requirement in proposed § 21.130.

This proposal would also require that the statement of conformity be provided in a form and manner prescribed by the FAA. The intent of this proposed change is to place details related to particular FAA forms, form content, and form use in policy documents that are more easily adjusted to reflect future changes in procedures.

Existing § 21.130(c) currently exempts a manufacturer from providing a statement of conformity for products manufactured for the Armed Forces if they have accepted the product. This proposal would remove this exemption. TC holders who manufacture products for the Armed Forces would be required to give the FAA Form 8130–2, Conformity Certificate—Military Aircraft. The intent of this proposal is to make it simpler for a future applicant to obtain a standard airworthiness certificate under existing § 21.183(d) for surplus military aircraft. Having a conformity certificate for that aircraft would satisfy existing § 21.183(d)(1).

Subpart G—Production Certificates

Section 21.137 Quality system

Proposed § 21.137(a) is based on current § 21.143(a)(5) and would require that a manufacturer's quality system include procedures for controlling design data and subsequent changes to ensure that only current, correct, and approved data is used.

Proposed § 21.137(b) would require that the quality system include procedures for controlling quality system documents and data and subsequent changes to ensure that only current, correct, and approved documents and data are used.

Proposed § 21.137(c) is based on current § 21.143(a)(2) and (b) and § 21.303(h)(1) and (2) and would require manufacturers to establish procedures to control conformity of each supplier-furnished product or article to its approved design before release for installation. For the purposes of this NPRM, a ''supplier'' is any person or

organization contracted to furnish products, articles, or services (at any tier) to a PAH. FAA certificate management activities consistently reveal shortcomings in supplier control across the industry.

Proposed paragraph § 21.137(c)(1) would require procedures to ensure that each supplier-furnished product or article conforms to its approved design. The intent of this proposal is to clarify that the PAH is responsible for ensuring the conformity of supplier-furnished items and to emphasize supplier control requirements to strengthen the effectiveness of this segment of the industry.

Proposed paragraph § 21.137(c)(2) would require each supplier to report to the PAH if a product or article has been released from that supplier and subsequently found not to conform to the applicable design data. The intent of this proposal is to ensure that the PAH is informed if non-conforming items make it through the quality system so it can initiate appropriate corrective action and reporting.

Proposed § 21.137(d) is based on current § 21.143(a)(3) and would require the quality system to include procedures for controlling manufacturing processes to ensure that each product and article conforms to its approved design. The term, ''manufacturing process,'' is intended to include special processes such as plating or heat-treating. Process controls typically include the following: Documented procedures for production, use of suitable production equipment, monitoring and controlling process parameters and product characteristics, accountability of all products during manufacture, and evidence that all manufacturing and inspection operations have been completed.

Proposed § 21.137(e) would require the quality system to include procedures for inspections and tests to ensure that a product or article conforms to its approved design. This proposal is based on existing §§ 21.143(a)(3) and 21.325(b)(1) and is intended to clarify that the purpose of inspections and tests is to verify that each product and article conforms to its approved design and is in a condition for safe operation. In addition, these inspection and test procedures must include a flight test of each aircraft produced, unless that aircraft will be exported as an unassembled aircraft, and a functional test of each aircraft engine and each propeller produced.

Proposed § 21.137(f) is new and would require the quality system to include procedures to ensure that all inspection, measuring, and test equipment used in determining conformity of products and articles to their respective approved designs is calibrated and controlled. Each calibration standard must be traceable to a standard acceptable to the FAA. The intent of this proposal is to ensure that the PAH performs conformity verifications using equipment having the necessary capability and reliability to preclude nonconforming items from being accepted and conforming items from being rejected.

Proposed § 21.137(g) is new and would require the quality system to include procedures for documenting the inspection and test status of products and articles supplied or manufactured to the approved design. The intent of this proposal is to have PAHs maintain evidence to indicate conformity or nonconformity of a product with regard to required inspections and tests.

Proposed § 21.137(h) is new and would require each organization's quality system to include procedures for establishing and maintaining certifying staff responsible for issuing airworthiness approvals for aircraft engines, propellers, and articles, including the issuance of export airworthiness approvals. The intent of proposed § 21.137(h) is to ensure that only qualified personnel issue these airworthiness approvals. An evaluation of certifying staff qualifications would need to include an assessment of the individual's knowledge, background, experience, and training. Qualifications must be commensurate with the complexity and type of product or article to be released. The FAA plans to place guidance regarding certifying staff qualifications in policy documents to be issued if this proposal is adopted. This proposal is based on the European Commission regulations, Annex Part 21, Certification of aircraft and related products, parts and appliances, and of design and production organisations.

Proposed § 21.137(i)(1) is based on current § 21.143(a)(4) and would require the quality system to include procedures to ensure that only products or articles that conform to their approved design are installed on a type-certificated product. These procedures must provide for identification, documentation, evaluation, segregation, and disposition of a nonconforming product or article. Only authorized individuals with the appropriate qualifications may make determinations regarding the disposition of products and articles. The intent of this proposal is to prevent a nonconforming product or article from being installed on a type-certificated product. This proposal is not intended to prevent, for example, temporary installation of nonconforming products or articles to facilitate assembly or testing (as accepted by the FAA), their use as a shop or training aid, or sale for non-aviation purposes.

Proposed § 21.137(i)(2) is new and would require the quality system to include procedures to ensure that discarded articles are rendered unusable. The intent of this proposal is to ensure that discarded articles are not erroneously placed into service on aircraft.

Proposed § 21.137(j) is new and would require the quality system to include procedures for implementing corrective and preventive actions to eliminate the causes of an actual or potential nonconformity to the approved design, or noncompliance with the approved quality system. This proposal is intended to address issues that may occur before products are shipped to customers. Corrective actions are intended to include root cause analysis and any other analyses necessary to correct known nonconformities and noncompliances with the quality system. Preventive actions require proactive measures to ensure that nonconformities and noncompliances do not occur. Corrective and preventive actions would promote continuous improvement of the quality system and the products and articles produced under that quality system.

Proposed § 21.137(k) is new and would require the quality system to include procedures to prevent damage or deterioration of products and articles during handling, storage, preservation, packaging, and delivery. The intent of this proposal is to ensure that a product or article continues to conform to its approved design and remains in a condition for safe operation during handling, storage, preservation, packaging, and delivery.

Proposed § 21.137(l) is a new requirement for PC holders (and by cross reference for holders of PMAs and TSO approvals at proposed §§ 121.307 and 121.607) and would require the quality system to include procedures for identifying, storing, protecting, retrieving, and retaining quality records. Quality system records include records such as inspection and test records, material review board records, and work orders. The intent of this proposal is to require documented evidence of compliance with applicable regulations and the approved quality system. Currently, subparts K and O require that these quality records be retained for two years. Subpart G does not have a quality system record retention requirement.

This proposal would require an applicant for and a holder of a production approval to retain these records for at least five years for the products and articles manufactured under the approval, and at least ten years for those parts that are identified as critical components under § 45.15(c) of this chapter. The intent of this proposal is to retain these records to support any future investigations related to failures, malfunctions, or defects that may occur or be discovered after the product or article is released from the PAH's quality system. The beginnings of these five- and ten-year periods for a given product or article would correspond to the issuance of an airworthiness approval for that product or article. This proposal is consistent with current industry best practices. We specifically request comments on whether the proposed ten-year minimum record retention requirement is adequate for critical components.

Proposed § 21.137(m) is new and would require the quality system to include procedures for planning and conducting internal audits for the purpose of assuring compliance with the approved quality system. ''Internal'' is relative to a PAH's quality system. Audits of suppliers, therefore, would fall within the scope of internal audits since a supplier is under the PAH's quality system. FAA certificate management data indicates that facilities with internal audit programs experience a lower probability of nonconformances. The results of these audits would be reported to applicable management personnel and to those personnel responsible for taking corrective actions for deficiencies found during the audit.

Proposed paragraph 21.137(n) is new and would require each manufacturer's quality system to include procedures for receiving and processing feedback from operators on in-service failures, malfunctions, and defects of products or articles. These procedures must describe how the manufacturer will assist the design approval holder (if different) to address in-service problems involving design changes and determine if any changes to the Instructions for Continued Airworthiness are necessary. The intent of this proposal is to provide feedback to ensure operational safety and facilitate continuous improvements to the manufacturer's quality system.

Proposed paragraph 21.137(o) is based on Annex Part 21 of European Union regulations and would require that the quality system include procedures for identifying, analyzing, and initiating appropriate corrective action for products or articles that have been released from the quality system and that do not conform to the applicable design data or quality system requirements (''quality escapes''). The intent of this proposal is to ensure that the PAH tracks, evaluates, categorizes, and initiates the appropriate corrective action for all nonconforming articles, including actions to correct deficiencies in the quality system that allowed for the quality escape and to assist the FAA in its certificate management and oversight of a PAH's quality system. This proposal would help promote continuous operational safety and improvement of a PAH's quality system.

Section 21.142 Production Limitation Record

This proposal is based on existing § 21.151 and would clarify that the PC holder, not the applicant for a PC, is the one who is authorized to manufacture the products listed on the production limitation record.

Section 21.146 Responsibility of Holder

This proposal would establish requirements for the holder of a PC, PMA, or TSO authorization in §§ 21.146, 21.316, and 21.616. The holders of production approvals would have the same responsibilities, as described below.

Proposed paragraph (a) would make each PAH responsible for updating the document required by §§ 21.135, 21.305, and 21.605. This would keep the FAA informed of changes in the PAH's organization and how that organization will ensure compliance with this part.

Proposed paragraph (b) would make each PAH responsible for maintaining its quality system in compliance with the data and procedures approved for that production approval. This is currently required for a holder of a PC in § 21.165(a) and for a holder of a TSO authorization in § 21.607(b). This would be a new requirement for a holder of a PMA.

Proposed paragraph (c) would make each PAH responsible for ensuring that each product or article conforms to its approved design and is in a condition for safe operation. This is currently required for a holder of a PC in § 21.165(b), a PMA in § 21.303(k), and a TSO authorization in § 21.607(a). This proposal would also retain other current requirements in § 21.165(b) for the holder of a PC related to primary category aircraft assembled from a kit. It would also retain the current requirement in § 21.607(a) for the holder of a TSO authorization that the TSO article meets the applicable TSO.

Proposed paragraph (d) would require an airworthiness approval for each aircraft engine, propeller, or article or each shipment of aircraft engines, propellers, or articles produced under that production approval that conforms to its approved design and is in a condition for safe operation. This airworthiness approval would be in the form of a completed FAA Form 8130–3. Although current regulations do not require issuance of an airworthiness approval for shipping aircraft engines, propellers, and articles, there has been a growing demand within the U.S. aviation industry to require this form to improve identification and tracking of these items.

The proposed regulation is also consistent with the 1998 recommendations of the Industry Suspected Unapproved Parts Steering Group. (We have placed a copy of these recommendations in the docket for this rulemaking.) This group determined that the establishment of a standardized, end-to-end, FAA-approved documentation process would—

- Provide a common, easily recognizable form with all aircraft engine, propeller, and article shipments so that the receiver could easily verify the airworthiness of the products, articles, and authority of the producer;
- Make a major contribution towards eliminating unapproved parts;
- Enhance the probability of success in prosecuting a manufacturer of unapproved parts, by challenging unauthorized and fraudulent use of an FAA document; and
- Provide greater confidence for non-U.S. air agencies and domestic users if the form used for export and domestic purposes is standardized for all shipments of aircraft engines, propellers, and articles.

The intent of this proposal is to provide evidence of the airworthiness approval status of an aircraft engine, propeller, and article; and help an installer make accurate airworthiness determinations.

An airworthiness approval is not intended for use within a PAH's quality system; that is, a supplier will not use an airworthiness approval to ship articles to the PAH. Only airworthiness approvals issued under subpart L of this part would be eligible for use as export airworthiness approvals; however, if the PAH issues the original airworthiness approval as an export airworthiness approval under subpart L of this part, that export airworthiness approval would also satisfy the requirement for an airworthiness approval under subpart G, K, or O; that is, only one airworthiness approval document

would be required for export. Currently, if a domestic part already has an airworthiness approval and the PAH wants to export that same part, the existing regulations require a second airworthiness approval be issued for export. Under this proposal, only one airworthiness approval document would be required.

Proposed paragraph (d) would also make the PAH responsible for issuing these airworthiness approvals for aircraft engines, propellers, and articles. A holder of a PC, PMA, and TSO authorization already has responsibility under §§ 21.165(b), 21.303(k), and 21.607(a) for determining that an aircraft engine, propeller, or article, as applicable, conforms to its approved design and is in a condition for safe operation. This proposal would now make the PAH responsible for documenting that determination via an airworthiness approval.

As discussed above for proposed § 21.137(h), the quality system for each PAH would include procedures for establishing and maintaining a certifying staff responsible for issuing these airworthiness approvals. The FAA (or its designees) would retain discretion to issue these airworthiness approvals as appropriate. This proposal is intended to give the PAH the same flexibility and responsiveness available to European and Canadian manufacturers who already issue these approvals.

Proposed paragraph (e) would require each holder of a PC, PMA, or TSO authorization to maintain complete and current design data for each product and article produced under its production approval. This is currently required for a holder of a PMA in § 21.303(h)(6) and a TSO authorization in § 21.607(c). This change would standardize requirements for all PAHs.

Proposed paragraph (f) would require each holder of a PC, PMA, or TSO authorization to retain the document(s) granting that certificate, approval, or authorization, respectively, and make it available to the FAA upon request. The intent of this proposal is to relieve the PAH from the current § 21.161 requirement to display the production certificate, and, instead, allow the holder to retain it in a manner it deems appropriate. In addition, this would standardize requirements for all PAHs.

Proposed paragraph (g) would require each holder of a PC, PMA, or TSO authorization to make available to the FAA information regarding all delegation of authority to suppliers. A holder of a PC already is required to do this under § 21.143(b). These delegations would include, for example, delegations of authority related to performing major inspections, direct ship authorization, and materials review. For the purposes of this NPRM, a direct ship authorization is a written authorization granted by a PAH to a supplier to ship completed and marked articles directly to end users, without the articles being processed through the PAH's own facility. This change would standardize requirements for all PAHs.

Subpart H Airworthiness Certificates

Section 21.183 Issue of Standard Airworthiness Certificates for Normal, Utility, Acrobatic, Commuter, and Transport Category Aircraft; Manned Free Balloons; and Special Classes of Aircraft

Currently, to manufacture an aircraft outside the United States and be entitled to a standard airworthiness certificate, that aircraft must be type certificated under § 21.21 and manufactured under a PC extension. At present, an applicant may obtain approval to manufacture under a PC extension only if the FAA finds no undue burden in administering the applicable requirements of Title 49 U.S.C. and this subchapter. This proposal would revise § 21.183(c) to entitle a person to a standard airworthiness certificate for an aircraft that is imported to the United States via an export certificate of airworthiness provided the aircraft is type certificated under § 21.21 or § 21.29, the aircraft is manufactured under the authority of another State of Manufacture, and there is no undue burden on the FAA. The State of Manufacture would be required to certify, in accordance with the provisions of an agreement with the United States for import and export of that aircraft that the aircraft conforms to its type design and is in condition for safe operation. The FAA would have to find that the aircraft conforms to its type design and is in condition for safe operation.

The intent of this proposal is to facilitate global manufacturing. A bilateral agreement with the State of Manufacture signifies that the FAA has confidence in the aircraft certification system of that country or jurisdiction for products within the scope of that agreement. Therefore, the FAA may accept their airworthiness determinations.

Currently, § 21.183(d)(2) entitles an applicant to a standard airworthiness certificate for a used aircraft if certain requirements are met. One of these requirements is that the aircraft be inspected in accordance with the performance rules for 100-hour inspections set forth in § 43.15 of this chapter. This proposal would revise paragraph (d)(2) to allow aircraft to be inspected in accordance with the performance rules for 100-hour inspections set forth in § 43.15 of this chapter, or an equivalent performance standard acceptable to the FAA. Similarly, this proposal would add paragraph (d)(2)(v) to accept a finding of airworthiness determined by the holder of a license or certificate to perform aircraft maintenance issued by a country or jurisdiction that has an agreement with the United States for the acceptance of used aircraft.

The intent of these proposals is to provide flexibility to accept equivalent inspection standards of a country or jurisdiction and the corresponding airworthiness determinations from those countries and jurisdictions with which the United States has a bilateral agreement. This proposal could also reduce the cost of importing a used aircraft if duplicate inspection requirements are eliminated.

Section 21.185 Issue of Airworthiness Certificates for Restricted Category Aircraft

Currently, to manufacture an aircraft outside the United States and be entitled to a restricted category airworthiness certificate, that aircraft must be type certificated under § 21.25 and manufactured under a PC extension. At present, an applicant may obtain approval to manufacture under a PC extension only if the FAA finds no undue burden on the FAA in administering applicable requirements of Title 49 U.S.C. and this subchapter. This proposal would revise § 21.185(c) to entitle a person to a special airworthiness certificate for a restricted category aircraft that is imported to the United States under an export certificate of airworthiness provided the aircraft is type certificated under § 21.25 or § 21.29, the aircraft is manufactured under the authority of another State of Manufacture, and there is no undue burden on the FAA. The State of Manufacture would be required to certify, in accordance with the provisions of an agreement with the United States for import and export of that aircraft that the aircraft conforms to its type design and is in condition for safe operation. The FAA would have to find that the aircraft conforms to its type design and is in condition for safe operation.

The intent of this proposal is to facilitate global manufacturing. A bilateral agreement with the State of Manufacture signifies that the FAA has confidence in the aircraft certification

system of that State for products within the scope of that agreement. Accordingly, the FAA could accept airworthiness determinations from that State as a basis for issuing airworthiness certificates for restricted category aircraft.

Section 21.195 Experimental Certificates: Aircraft To Be Used for Market Surveys, Sales Demonstrations, and Customer Crew Training

Existing paragraph (d) entitles an applicant to an experimental airworthiness certificate if certain requirements are met. One of these requirements, as specified in paragraph (d)(2), is that the applicant must show that the aircraft has been flown for at least 50 hours, or for at least 5 hours if it is a type-certificated aircraft that has been modified. This proposal would add language to allow the FAA to reduce these operational requirements when the FAA determines it is safe to do so and harmonize with the corresponding Annex Part 21 of the European Union regulations.

Section 21.197 Special Flight Permits

Under this proposal, existing paragraphs 21.197(c)(1) and (c)(2) would be combined into a single requirement, proposed § 21.197(c)(1), for all carriers certificated under part 119. The requirement for operators to maintain their aircraft under a continuous airworthiness maintenance program (CAMP) would be changed to ''an approved program for continuing flight authorization.'' This gives operators options for developing their programs, as well as allowing operators that do not have a CAMP, but do have the necessary quality system and infrastructure to support this authorization, to also be eligible.

This proposal would allow certificate holders under existing § 135.411, with an approved program, to be eligible for a continuing authorization to issue special flight permits for the purpose of maintenance. The intent of this proposal is to provide relief to operators who periodically require the issuance of special flight permits, and to the FAA, which would no longer have to issue these permits or oversee Designated Airworthiness Representatives issuing these permits.

The undesignated paragraph between existing 21.197(c)(2) and (3) would be removed, because the statement is redundant to a statement in the introductory language of existing paragraph (c).

Subpart J—Delegation Option Authorization Procedures

Section 21.293 Current Records

This proposal would revise paragraph (a)(2) to increase the record retention requirements for manufacturers from 2 to 5 years, consistent with the proposed changes to subparts G, K, and O.

Subpart K—Parts Manufacturer Approvals

Section 21.301 Applicability

This proposal would revise this section to clarify that the scope of subpart K is limited to parts manufacturer approvals.

Section 21.303 Application

This proposal would require a part to conform to its ''approved design'' instead of ''drawings in the design'' in recognition of the fact that the approved design may consist of more than drawings. It would also replace ''fabrication processes'' with ''manufacturing processes'' to reflect that PMAs would have to adhere to quality system requirements common to all PAHs. A holder of a PMA would no longer have a fabrication inspection system.

This proposal would also add § 21.303(a)(5), a new requirement for PMA applicants to provide a statement certifying that the applicant has complied with the airworthiness requirements of this subchapter. The intent of this proposal is discussed under proposed § 21.20.

Section 21.310 Inspections and Tests

This proposal would expand the FAA's ability to conduct inspections and tests to include supplier facilities. For the purposes of this NPRM, a supplier is any person or organization contracted to furnish products, articles, or services (at any tier) to a PAH. The intent of this proposal is to ensure the FAA has the requisite access to facilities and cooperation of the manufacturer to administer applicable requirements of Title 49 U.S.C. and this subchapter.

Section 21.319 Design Changes

This proposal would add requirements for classifying and approving PMA design changes that are parallel and comparable to both TSO and TC design change regulations. Currently, PMA design changes are classified and approved using the corresponding TC design change processes even though part 21 does not specifically address PMA design changes. The intent of this proposal is to fill this void in the regulations.

Subpart L—Export Airworthiness Approvals

Section 21.321 Applicability

This proposal would delete the definitions of Class I, Class II, and Class III products and of ''newly overhauled'' in existing paragraphs (b)(1) through (4) respectively. The intent of this proposal is to harmonize the definition of ''product'' in subpart L with the rest of part 21 and with the BASA Implementation Procedures for Airworthiness; that is, a ''product'' is an aircraft, aircraft engine, or propeller. In addition, since other proposals in this NPRM for subpart L would remove all occurrences of and requirements related to the term ''newly overhauled,'' the definition for this term is no longer required.

Section 21.325 Export Airworthiness Approvals

Proposed paragraph (a) would still require that an export airworthiness approval for an aircraft be issued in the form of an export certificate of airworthiness. The FAA would continue to use FAA Form 8130–4, Export Certificate of Airworthiness, for issuing these approvals. An export certificate of airworthiness form would no longer be issued for aircraft engines and propellers. See proposed paragraph (b) below. This proposal is intended to provide U.S. exporters the same flexibility and responsiveness available to foreign exporters.

This proposal would also relocate requirements related to flight-testing new aircraft from existing § 21.325(b)(1) to proposed § 21.137(e). The purpose of this change is to place all production-related requirements in subpart G. Section 21.325(b)(1) currently allows export from the United States of certain types of unassembled aircraft, including small airplanes, small rotorcraft, and gliders, without flight testing. The FAA is proposing to remove these references to specific types of aircraft. Proposed § 21.329(b) would allow the importing country or jurisdiction to define what types of unassembled aircraft may be imported without a flight test. This would facilitate the export of U.S.-manufactured aircraft to customers in foreign countries.

Proposed § 21.325(b) would require that an export airworthiness approval for an aircraft engine, propeller, or article be issued in a form and manner prescribed by the FAA. The FAA would continue to use FAA Form 8130–3 for articles and proposes using this form for issuing export airworthiness approvals for aircraft engines and propellers. The intent of this proposal is to standardize

the format of the export airworthiness approval. This will facilitate export of aircraft engines and propellers in a global manufacturing environment.

Currently, export airworthiness approvals may only be issued for used products located in another country if the FAA finds no undue burden on the FAA in administering the provisions of this regulation. Under existing § 21.325(b)(3), export airworthiness approvals may only be issued for Class II or Class III products manufactured and located in the United States. The FAA has granted numerous exemptions to those manufacturers whose suppliers are located in countries that have a BAA or BASA with the United States. These exemptions permit the issuance of export airworthiness approvals for Class II and Class III products so that these products would not have to be first shipped to the United States before export. When § 21.325(b)(3) was adopted (30 FR 8465, Jul. 2, 1965), the international market in aviation products was minimal compared with today's international market; additionally, FAA resources were limited for issuing export airworthiness approvals outside the United States. However, FAA designees are now available to issue export airworthiness approvals for PAHs and other exporters. In addition, if the United States has a bilateral agreement with another country or jurisdiction, that country or jurisdiction is typically in a position to assist the FAA in the monitoring and surveillance of U.S. PAHs located in that country or jurisdiction.

Proposed paragraph (c) would relieve these current restrictions and the burden on the public of petitioning for exemptions by allowing export airworthiness approvals to be issued for any product or article located in another country as long as the FAA finds no undue burden on the FAA in administering applicable requirements. Certificate management and designee oversight responsibilities are examples of potential burdens on the FAA. For PAHs, the assessment of undue burden related to issuing an export airworthiness approval would be performed during the FAA's undue burden assessment of a prospective production facility located outside the United States. See FAA Order No. 8100.11 for a description of the undue burden assessment process. The order is available through the FAA Internet Web site, *http://www.faa.gov.*

The FAA may permit a PAH to issue export airworthiness approvals at a supplier facility in a foreign country or jurisdiction if the PAH has established and implemented supplier control procedures that are acceptable to the FAA. Using a designated representative of the Administrator to issue these approvals could mitigate any burden on the FAA from other exporters. In addition, as discussed under proposed § 21.331(a), the PAH would be authorized to issue an export airworthiness approval for a new aircraft engine, propeller, or article on behalf of the FAA.

In summary,

If a—	Is in a foreign location, may an export airworthiness approval be issued for that item under the *current* regulation?	Is in a foreign location, may an export airworthiness approval be issued for that item under the *proposed* regulation?
New aircraft	No.	Yes, if no undue burden on the FAA.
New engine or propeller	No.	
Used aircraft	Yes, if no undue burden on the FAA	
Used engine or propeller	Yes, if no undue burden on the FAA	
New article	No.	
Used article	No.	

Section 21.327 Application

This proposal would shift detailed application procedures of this section to FAA policy and clarify that any person may apply for an export airworthiness approval. An applicant would use FAA Form 8130–1, Application for Export Certificate of Airworthiness, to apply for an export certificate of airworthiness. A PAH would not have to apply for an export airworthiness approval for a new aircraft engine, propeller, or article.

This proposal would remove existing § 21.327(e), which requires a written statement from the importing country that will validate an export airworthiness approval if the product being exported meets any of four conditions listed in paragraphs (e)(1) through (4). Paragraph (e)(1) requires this written statement for aircraft manufactured outside the United States and being exported to a country with which the United States has a reciprocal agreement concerning the validation of export certificates. A written statement is not required if an agreement with the importing country or jurisdiction already includes provisions for import and export of ''third country'' aircraft. If these provisions do not exist, then the FAA, not the exporter, would coordinate with the importing country or jurisdiction to determine if that country or jurisdiction would ''validate'' or accept an FAA export certificate of airworthiness. The intent of this proposal to remove paragraph (e)(1) is to clarify that the exporter does not have responsibility for obtaining this written statement from the importing country or jurisdiction. Paragraphs (e)(2) through (4) would be removed and addressed under proposed § 21.329.

Section 21.329 Issuance of Export Certificates of Airworthiness

This proposal would revise this section to provide requirements related to issuance of export certificates of airworthiness for aircraft. Paragraph (a) would provide specific requirements for issuance of these certificates and paragraph (b) would include provisions for exceptions to these requirements.

Proposed paragraph (a)(1) would expand current paragraph (a) to allow an export certificate of airworthiness to be issued for new or used aircraft manufactured under subparts F or G of this part, including aircraft manufactured outside of the United States. Currently, paragraph (a) requires that the aircraft be manufactured in the United States. The intent of this proposal is to clarify that this requirement is addressing the regulatory authority under which the aircraft was manufactured, not the physical location of manufacture. Requirements related to the physical location of the aircraft would be addressed by proposed § 21.325(c). This proposal would also allow an aircraft that meets the requirements under subpart H of this part for a special airworthiness certificate in either the ''primary'' or ''restricted'' category to receive an export certificate of airworthiness. An export certificate of airworthiness represents a statement from the FAA that a given aircraft conforms to its type design and is in a condition for safe operation. Since an aircraft in either the ''primary'' or ''restricted'' category has a type design, adequate basis exists for issuing an export certificate of

airworthiness for such an aircraft that conforms to its type design and is in a condition for safe operation. The intent of this proposal is to facilitate exporting such aircraft.

Proposed paragraph (a)(2) would revise current paragraph (b) to clarify that an export certificate of airworthiness may be issued for a new or used aircraft not manufactured under subpart F or G of this part. Currently, paragraph (b) applies to ''aircraft manufactured outside the United States.'' The intent of this proposal is to clarify that this requirement addresses the regulatory authority under which the aircraft was manufactured, not the physical location of manufacture. This proposal would also allow aircraft that have a special airworthiness certificate in the ''primary'' category or the ''restricted'' category to receive an export certificate of airworthiness. The intent of this proposal is to facilitate exporting such aircraft.

Proposed paragraph (a)(3) would require that each requirement of the importing country or jurisdiction be met. This requirement is the same as current § 21.329(f).

This proposal would remove existing paragraphs (c) and (e) that require, for an export certificate of airworthiness—

- Used aircraft to undergo an annual type inspection and be approved for return to service; and
- Used engines and propellers not exported as part of a certificated aircraft to be newly overhauled.

Under regulations in effect since 1965, the requirements for export airworthiness approvals have helped to assure the export of quality products that meet safety standards at least as high as those applicable to products for domestic use. Currently, an aircraft or other product not having been inspected or newly overhauled is not issued an export airworthiness approval. Under this proposal, importing airworthiness authorities may choose to accept a product without being inspected or newly overhauled. The decision to accept aircraft or other products that have not been inspected or overhauled would rest with the airworthiness authority of the importing country or jurisdiction. This would result in cost savings without compromising aviation safety since the importing airworthiness authority would continue to apply the appropriate safety standards.

Section 21.331 Issuance of Export Airworthiness Approvals for Aircraft Engines, Propellers, and Articles

Proposed paragraph (a) would permit a PAH to issue an export airworthiness approval for a new aircraft engine, propeller, or article it manufactured under this part. Only airworthiness approvals issued under subpart L of this part would be eligible for use as export airworthiness approvals; however, if the PAH issues the original airworthiness approval as an export airworthiness approval under subpart L of this part, that export airworthiness approval would also satisfy the requirements for issuing an airworthiness approval under subparts G, K, or O. Under this proposal, the FAA would retain discretion to issue export airworthiness approvals for new aircraft engines, propellers, and articles for a PAH.

Proposed paragraph (b) would combine the requirements of existing § 21.331(b) and § 21.325(c) to put exceptions to proposed § 21.331(a) in one place.

Under proposed paragraph (c), the FAA or its designees may also issue an export airworthiness approval for a new aircraft engine, propeller, or article for a person who is not a PAH. This proposal expands current subpart L provisions by allowing a U.S. exporter who is not a PAH to export what are currently referred to as Class III products. Currently, § 21.323(b) allows only a manufacturer who has in his employ a designated representative of the Administrator to obtain an export airworthiness approval for Class III products. The intent of these proposals is to facilitate the global movement and acceptance of new aircraft engines, propellers, and articles.

Under proposed paragraph (d), the FAA or its designees may also issue an export airworthiness approval for a used aircraft engine, propeller, or article. The FAA would only issue these approvals for items that—

- Conform to their approved designs and are in a condition for safe operation; and
- Meet each requirement of the importing country or jurisdiction.

Subpart L currently has no provision for issuing export airworthiness approvals for used articles. The intent of this proposal is to make provision for the export of these items. In addition, used aircraft engines and propellers not exported as part of a certificated aircraft would no longer be required to be newly overhauled as discussed in the preamble for proposed § 21.329.

Section 21.335 Responsibilities of Exporters

Rather than listing specific documents that the exporter must forward to the importing authority as in current paragraphs (a) and (b), proposed paragraph (a) would require only that the exporter forward to the importing country or jurisdiction all documents specified by that country or jurisdiction. This proposal is intended to recognize the ability of a country or jurisdiction to define its own requirements. Proposed paragraph (b) would require the exporter to preserve and package products and articles as necessary to protect them against corrosion and damage during transit or storage.

Section 21.339 [Removed]

Existing § 21.339 provides for the issuance of special export certificates of airworthiness for aircraft located in the United States that are to be flown to various foreign countries for the purpose of demonstrating the aircraft to prospective purchasers if the aircraft possesses either—

- A standard U.S. airworthiness certificate; or
- A special U.S. airworthiness certificate in the restricted category.

Under this regulation, an export certificate of airworthiness appropriate for validation or acceptance in any of the foreign countries involved may be issued before departure of the aircraft from the United States. The exporter must show that it has the documents, information, and material necessary to meet the special requirements of each of the prospective importing countries. Upon finding a buyer, the exporter has, in hand, a valid export certificate of airworthiness to facilitate airworthiness acceptance by the country in which the aircraft is to be sold. This relieves the exporter of the need to return the aircraft to the United States or apply to an overseas FAA office for a certificate under § 21.329.

This proposal would remove this section. This special procedure has rarely been used and is no longer necessary today. The FAA can accommodate this need ''without returning the aircraft to the U.S.'' using designated airworthiness representatives, an option that was not available when this rule was originally adopted. When the exporter finds a buyer, the exporter can hire a designated airworthiness representative to issue an export certificate of airworthiness under subpart L and ship required documents to the importer and importing authority.

Subpart N—Acceptance of Aircraft Engines, Propellers, and Articles for Import

Section 21.500 Acceptance of Aircraft Engines and Propellers

This proposal would revise this section by replacing the word ''approval'' with ''acceptance'' to clarify

that this section is limited to regulating the import or acceptance of aircraft engines and propellers into the United States, not the original design or production approvals of aircraft engines and propellers. It would also require that each aircraft engine and propeller be identified in accordance with part 45 of this chapter.

Section 21.502 Acceptance of Articles

This proposal would revise this section by replacing the word ''approval'' with ''acceptance'' to clarify that this section is limited to regulating the import or acceptance of articles into the United States, not the original design or production approvals of articles.

It would also add a requirement that an article (including an article produced under a letter of TSO design approval) be marked in accordance with part 45 of this chapter to meet the requirements for acceptance under this subchapter. Currently, § 21.617(c) contains marking requirements for TSO articles produced under a letter of TSO design approval. The FAA originally considered consolidating these requirements with all other marking requirements in part 45. However, to avoid any appearance of regulating manufacturers under another State of Manufacture, the FAA decided to impose these marking requirements as a requirement in § 21.502 for importing these articles into the United States.

Subpart O—Technical Standard Order Approvals

Section 21.603 Application

Proposed § 21.603(a) is based on existing § 21.605(a)(1) and (2) with minor edits for consistency. (Existing § 21.605(a)(3) is removed because it is addressed under proposed § 21.607.) Proposed § 21.603(b) is a redesignation of existing § 21.605(b). (Existing § 21.605(c) is relocated to proposed § 21.611.)

Proposed § 21.603(c) is based on existing § 21.605(d) and (e) and eliminates some of the overlap of these paragraphs. Under proposed § 21.603(c), there would be no 30-day time frame for the FAA to issue or deny an application. We are proposing to remove this requirement to avoid imposing an arbitrary time limit on the application review process. The FAA may need additional time to review complex applications. The FAA intends to issue guidance to accompany this rulemaking that would encourage staff to complete application reviews within 30 days, but we do not believe it is appropriate to retain this inflexible standard in the regulations.

Existing § 21.603(a) specifies that no person may identify an article with a TSO marking unless that person holds a TSO authorization and the article meets applicable TSO performance standards. This proposal would relocate this requirement to proposed § 45.10 and expand it to apply to all production approval holders. This proposal would relocate existing § 21.603(b) to proposed § 21.613(b).

This proposal would remove existing § 21.603(c). The TSO standards listed in § 21.603(c) were removed from use over thirty years ago and are no longer recognized as valid standards. Removal of the list from paragraph (c) does not imply that the previously listed TSO standards may once again be used or articles may once again be marked with the listed TSO numbers. The FAA believes that since the listed standards have not been used for several decades, no purpose is served by retaining § 21.603(c).

Section 21.611 Issuance

Proposed § 21.611 is based on existing § 21.605(c) and would allow the FAA to issue a TSO authorization (including all TSO deviations granted to the applicant) if the FAA finds that the applicant complies with the requirements of this subchapter. An important aspect of this finding would be a determination that the applicant has the ability to produce duplicates. This would be based on a review of the applicant's quality system required under proposed § 21.607.

Section 21.613 Duration

This proposal would remove language related to transferability of a TSO authorization. Requirements related to transferability of a TSO authorization would be addressed in a separate section, proposed § 21.614.

Part 43—Maintenance, Preventive Maintenance, Rebuilding, and Alteration

Section 43.3 Persons Authorized To Perform Maintenance, Preventive Maintenance, Rebuilding, and Alterations

This proposal would amend § 43.3(j)(3) to remove all references to an APIS consistent with the proposed changes to part 21, subpart F, and allow a manufacturer to perform any inspection required by Parts 91 or 125 of this chapter on aircraft it manufactured under a type certificate or currently manufactures under a production certificate.

Part 45—Identification and Registration Marking

Section 45.1 Applicability

This proposal would revise paragraphs (a) and (b) of this section to reflect that all detailed marking requirements would now be consolidated in part 45, including TSO article marking requirements.

Section 45.10 Identification

This proposal would consolidate marking requirements in one location and apply them to all production approval holders, including persons who export their products to the United States under the provisions of an agreement between the United States and another country or jurisdiction. These markings identify the person authorized to produce that product, part, appliance, or TSO article and also provide a reference to the corresponding approved design data. Furthermore, these markings constitute a representation from that person that the given product, part, appliance, or TSO article conforms to its approved design. Only the person authorized to produce the product, part, appliance, or TSO article may make this representation. This proposal would not preclude a supplier of a production approval holder from applying markings in accordance with requirements from that production approval holder and procedures approved by the FAA.

Proposed paragraph (b) would require that no person may identify a product, part, appliance, or TSO article in accordance with this subpart unless that product, part, appliance, or TSO article conforms to its approved design, and is in a condition for safe operation; and, for a TSO article; that TSO article meets the applicable performance standards. This proposal would not preclude applying in-process markings throughout the manufacturing process if necessary.

Section 45.11 Identification of Products

This proposal would replace current paragraph (a) with proposed paragraphs (a) and (b) to put aircraft and aircraft engine identification requirements into separate paragraphs for clarity.

Proposed paragraph (b) would apply the current aircraft engine marking requirements to each module of modular engine configuration so that identification information and operational history is retained if these modules are ever separated from one another, or interchanged in service.

This proposal would add paragraph (g) to provide relief from the aircraft

data plate location requirement of paragraph (a) of this section for those persons who, since amendment number 45–17 (52 FR 34101, Sept. 9, 1987), have had to obtain exemptions (DOT/FAA exemption numbers 4902 and 4913) to allow them not to locate the data plate on the exterior of the aircraft near the tail. The FAA has consistently determined that the justifications for granting these exemptions are valid and that granting these exemptions is in the public interest. Aircraft and aircraft operations of the types covered by these exemptions are unlikely to be connected with drug smuggling activities, the situation addressed in amendment number 45–17. The intent of this proposal is to relieve the burden on the public and on the FAA related to processing these exemptions in the future.

This proposal would add paragraph (h) to provide relief to manufacturers of gliders from the aircraft data plate location requirement of paragraph (a) of this section for those persons who since amendment number 45–17 have had to obtain exemptions (DOT/FAA exemption number 4988) to allow them not to locate the data plate on the exterior of the aircraft near the tail.

Section 45.15 Identification Requirements for Parts, Appliances, and TSO Articles

This proposal would standardize and consolidate marking requirements for parts, appliances, TSO articles, and components thereof, including an identifier of the person who manufactured the part and the part number. For the purposes of this proposal, ''component'' refers to a constituent part. For example, the letter keys of a computer keyboard would be components of the keyboard. For TSO articles, in addition to the requirements of proposed paragraph (a), paragraph (b) would require the TSO number and letter of designation, all markings specifically required by the applicable TSO, and the serial number or date of manufacture or both, unless otherwise specified in the applicable TSO.

This proposal would relocate the requirements of existing § 45.15(b) to paragraph (d) of this section. The proposal would allow marking information to be attached to any part or component that the FAA finds is too small or otherwise impractical to mark on the part or component and clarify that this provision applies to all PAHs.

Section 45.16 Marking of Life-Limited Parts

This proposal would remove the second sentence of this section, which provides two acceptable means of compliance with the requirement to provide marking instructions. It has long been FAA policy to place recommendations for how to comply with requirements in advisory material, not regulations.

X. Proposed Effective Date for Changes

The FAA proposes to make all changes effective 18 months after publication of the final rule in the **Federal Register**. The complexity of this proposed effective date for persons manufacturing under an approved production inspection system (APIS) per existing § 21.123(c) warrants further explanation. Eighteen months after adoption of the proposed changes to § 21.123, the FAA will rescind all APIS approvals. Persons manufacturing under an APIS would be expected to surrender their letter of APIS approval, manufacture under a TC if they choose to continue manufacturing, and have 6 months to obtain a PC under part 21 subpart G.

XI. Derivation and Distribution Tables

In this NPRM, the FAA proposes to completely revise subparts G, K, L, and O of part 21 and subparts A and B of part 45. For these subparts, the following derivation tables show the bases for each proposed section.

DERIVATION TABLE FOR PART 21 SUBPART G

Proposed section—	Based on—
21.131 Introductory text	21.131.
21.131(a)	21.131.
21.131(b)	21.131.
21.132 Introductory text	21.133(a).
21.132(a)	21.133(a)(1).
21.132(b)	21.133(a)(2).
21.132(c)	21.133(a)(3).
21.133	21.133(b).
21.135	21.143(a)(1).
21.137 Introductory text	21.139 and 21.143(a).
21.137(a)	21.143(a)(5).
21.137(b)	21.143(a)(5).
21.137(c) Introductory text	New language.
21.137(c)(1)	21.143(a)(2).
21.137(c)(2)	New language.
21.137(d)	21.143(a)(3).
21.137(e)	21.143(a) and 21.143(a)(3).
21.137(e)(1)	21.143(a)(3).
21.137(e)(2)	New language.
21.137(f)	New language.
21.137(g)	New language.
21.137(h)	New language.
21.137(i)(1)	21.143(a)(4).
21.137(i)(2)	New language.
21.137(i)(3)	New language.
21.137(j)	New language.
21.137(k)	New language.
21.137(l)	New language.
21.137(m)	New language.
21.137(n)	New language.
21.137(o)	New language.

DERIVATION TABLE FOR PART 21 SUBPART G—Continued

Proposed section—	Based on—
21.138	21.143(a).
21.139(a)	21.137.
21.139(b)	21.159.
21.140	21.157.
21.141	21.135.
21.142	21.151.
21.143	21.159.
21.144	21.155.
21.145	21.163.
21.146 Introductory text	21.165 Introductory text.
21.146(a)	New language.
21.146(b)	21.165(a).
21.146(c)	21.165(b).
21.146(d)	New language.
21.146(e)	21.303(h)(6) and 21.613(a)(1).
21.146(f)	21.161.
21.146(g)	21.143(b).
21.147	21.153.
21.150 Introductory text	21.147.
21.150(a)	21.147.
21.150(b)	21.147.

DERIVATION TABLE FOR PART 21 SUBPART K

Proposed section—	Based on—
21.301 Introductory text	21.301.
21.301(a)	21.301.
21.301(b)	New language.
21.303(a)	21.303(c).
21.303(a)(5)	New language.
21.303(b)	21.303(f).
21.305	New language.
21.307	New language.
21.308	New language.
21.309(a)	21.303(g).
21.309(b)	21.303(j).
21.310	21.303(e).
21.311	21.303(d) Introductory text and 21.303(d)(1).
21.313	21.303(i).
21.314	21.303(i).
21.316 Introductory text	New language.
21.316(a)	New language.
21.316(b)	21.165(a).
21.316(c)	21.303(k).
21.316(d)	New language.
21.316(e)	21.303(h)(6).
21.316(f)	21.161.
21.316(g)	21.143(b).
21.319(a)	21.93(a).
21.319(b)(1)	21.95.
21.319(b)(2)	New language.
21.320	21.147.

DERIVATION TABLE FOR PART 21 SUBPART L

Proposed section—	Based on—
21.321 Introductory text	21.321(a).
21.321(a)	21.321(a)(1).
21.321(b)	21.321(a)(2).
21.325(a)	21.325(a)(1).
21.325(b)	21.325(a)(2).
21.325(c)	New language.
21.327	21.327(a).
21.329(a)	21.329 Introductory text.
21.329(a)(1)	21.329(a).
21.329(a)(2)	21.329(b).
21.329(a)(3)	21.329(f).
21.329(b)	21.329(g).

DERIVATION TABLE FOR PART 21 SUBPART L—Continued

Proposed section—	Based on—
21.329(b)(1)	21.329(g).
21.329(b)(2)	21.325(c).
21.331(a)	New language.
21.331(a)(1)	New language.
21.331(a)(2)	New language.
21.331(b)	21.331(b).
21.331(b)(1)	21.331(b).
21.331(b)(2)	21.325(c).
21.335 Introductory text	21.335 Introductory text.
21.335(a)	21.335(a) and (b).
21.335(b)	New language.
21.335(c)	21.335(c).
21.335(d)	21.335(d).
21.335(e)	21.335(e).

DERIVATION TABLE FOR PART 21 SUBPART O

Proposed section—	Based on—
21.601(a)	21.601(a).
21.601(b) Introductory text	21.601(b) Introductory text.
21.601(b)(1)	21.601(b)(1).
21.601(b)(2)	21.601(b)(2).
21.601(b)(3)	21.601(b)(3).
21.601(b)(4)	21.601(b)(4).
21.601(b)(5)	21.601(b)(5).
21.603(a)	21.605(a).
21.603(a)(1)	21.605(a)(1).
21.603(a)(2)	21.605(a)(2).
21.603(b)	21.605(b).
21.603(c)	21.605(d) and part of (e).
21.605	New language.
21.607	New language.
21.608	21.605(a)(3).
21.609(a)	21.601(c).
21.609(b)	New language.
21.610	21.615.
21.611	21.605(c).
21.613(a)	21.621.
21.613(b)	21.603(b).
21.614	21.621.
21.616 Introductory text	21.607 Introductory text.
21.616(a)	New language.
21.616(b)	21.607(b).
21.616(c)	21.607(a).
21.616(d)	New language.
21.616(e)	21.607(c), 21.613(a)(1), and 21.613(b).
21.616(f)	21.161.
21.616(g)	21.143(b).
21.618	21.609.
21.619	21.611.
21.620	21.147.
21.621(a)	21.617(a).
21.621(b)	21.617(b).

DERIVATION TABLE FOR PART 45 SUBPART A

Proposed section—	Based on—
45.1 Introductory text	45.1 Introductory text.
45.1(a)	45.1(a).
45.1(a)(1)	45.1(a).
45.1(a)(2)	45.1(a).
45.1(a)(3)	New language.
45.1(b)	45.1(c).

DERIVATION TABLE FOR PART 45 SUBPART B

Proposed section—	Based on—
45.10	21.603(a).
45.11(a)	45.11(a).
45.11(b)	45.11(a).
45.11(c)	45.11(b).
45.11(d)	45.11(c).
45.11(e)	45.11(d).
45.11(f)	45.11(e).
45.11(g)	New language.
45.11(h)	New language.
45.13	45.13.
45.15(a)	New language.
45.15(b)	21.607(d).
45.15(c)	45.14.
45.15(d)	45.15(b).
45.16	45.16

The Distribution Tables below show the sections that would be replaced by the current proposal..

DISTRIBUTION TABLE FOR PART 21 SUBPART G

Current section—	Replaced by—
21.131	21.131(a) and (b).
21.133(a)(1) through (a)(3)	21.132(a) through (c).
21.133(b)	21.133.
21.135	21.141.
21.137	21.139(a).
21.139	21.137 Introductory text.
21.143(a)	21.138 and 21.137(e).
21.143(a)(1)	21.135.
21.143(a)(2)	21.137(c)(1).
21.143(a)(3)	21.137(d), 21.137(e)(1) and (e)(2).
21.143(a)(4)	21.137(i).
21.143(a)(5)	21.137(a) and (b).
21.143(a)(6)	Removed.
21.143(b)	21.146(g).
21.147	21.150(a) and (b).
21.149	Removed.
21.151	21.142.
21.153	21.147.
21.155	21.144.
21.157	21.140.
21.159	21.139(b) and 21.143.
21.161	21.146(f).
21.163	21.145.
21.165 Introductory text	21.146 Introductory text.
21.165(a)	21.146(b).
21.165(b)	21.146(c).

DISTRIBUTION TABLE FOR PART 21 SUBPART K

Current section—	Replaced by—
21.301	21.301(a) and (b).
21.303(a)	21.9(a).
21.303(b)	Removed.
21.303(b)(1)	21.9(a)(1–2).
21.303(b)(2)	21.9(a)(5).
21.303(b)(3)	21.9(a)(2).
21.303(b)(4)	21.9(a)(3) and 21.1(b)(7).
21.303(c)(1) through (c)(4)	21.303(a)(1) through (a)(4).
21.303 Introductory text and (d)(1)	21.311.
21.303(d)(2)	Removed, but see 21.308.
21.303(e)	21.310 Introductory text.
21.303(e)(1)	21.310(a).
21.303(e)(2)	21.310(b).
21.303(f)(1) through (f)(4)	21.303(b)(1) through (b)(4).

DISTRIBUTION TABLE FOR PART 21 SUBPART K—Continued

Current section—	Replaced by—
21.303(g)	21.309(a).
21.303(h)(1) through (h)(9)	Removed.
21.303(i)	21.313 and 21.314.
21.303(j)	21.309(b).
21.303(k)	21.316(c).
21.305(a) through (d)	21.7(a) through (d).

DISTRIBUTION TABLE FOR PART 21 SUBPART L

Current section—	Replaced by—
21.321(a)	21.321 Introductory text.
21.321(a)(1)	21.321(a).
21.321(a)(2)	21.321(b).
21.321(b)(1) through (b)(4)	Removed.
21.323	21.329 and 21.331.
21.325(a)(1)	21.325(a).
21.325(a)(2)	21.325(b).
21.325(b)(1)	Removed.
21.325(b)(2) and (b)(3)	21.325(c).
21.325(c)	21.329(b)(2) and 21.331(c)(2).
21.327(a) through (f)	21.327.
21.329 Introductory text	21.329(a), 21.331(a), and 21.331(b).
21.329(a)	21.329(a)(1), 21.329(a)(1)(i) and (a)(1)(ii).
21.329(b)	21.329(a)(2) and 21.329(a)(2)(i).
21.329(c)	Removed.
21.329(d)	21.331(a)(1).
21.329(e)	Removed.
21.329(f)	21.329(a)(3).
21.329(g)	21.329(b) and 21.329(b)(1).
21.331	21.331.
21.333	21.331.
21.335 Introductory text	21.335 Introductory text.
21.335(a)	21.335(a).
21.335(b)	21.335(a).
21.335(c)	21.335(c).
21.335(d)	21.335(d).
21.335(e)(1) through (e)(3)	21.335(e)(1) through (e)(3).
21.337(a) through (f)	Removed.
21.339(a) through (f)	Removed.

DISTRIBUTION TABLE FOR PART 21 SUBPART O

Current section—	Replaced by—
21.601(a) and 21.601(a)(1) through (a)(3)	21.601(a) and 21.601(a)(1) through (a)(3).
21.601(b)(1)	21.601(b)(1).
21.601(b)(2)	21.601(b)(2).
21.601(b)(3)	21.601(b)(3).
21.601(b)(4)	21.601(b)(4).
21.601(b)(5)	21.601(b)(5).
21.601(c)	21.609(a).
21.603(a)	45.10.
21.603(b)	21.613(b).
21.603(c)	Removed.
21.605(a)(1) and (2)	21.603(a).
21.605(a)(3)	Removed.
21.605(b)	21.603(b).
21.605(c)	21.611.
21.605(d)	21.603(c).
21.605(e)	Partially removed, 21.603(c).
21.607 Introductory text	21.616 Introductory text.
21.607(a)	21.616(c).
21.607(b)	21.616(b).
21.607(c)	21.616(e).
21.607(d)	45.15(b).
21.609	21.618.
21.611	21.619.
21.613(a)	21.616(e) and 21.137(l).
21.613(a)(1)	21.616(e).

DISTRIBUTION TABLE FOR PART 21 SUBPART O—Continued

Current section—	Replaced by—
21.613(a)(2)	21.137(l).
21.613(b)	21.616(e).
21.615	21.610.
21.617(a)(1) and (a)(2).	21.621(a)(1) and (a)(2).
21.617(b)	21.621(b).
21.617(c)	21.502.

DISTRIBUTION TABLE FOR PART 45 SUBPART A

Current section—	Replaced by—
45.1 Introductory text	45.1 Introductory text.
45.1(a)	45.1(a).
45.1(b)	45.1(a).
45.1(c)	45.1(b).

DISTRIBUTION TABLE FOR PART 45 SUBPART B

Current section—	Replaced by—
45.11(a)	45.11(a) and (b).
45.11(b)	45.11(c).
45.11(c)	45.11(d).
45.11(d)	45.11(e).
45.11(e)	45.11(f).
45.13	45.13.
45.14	45.15(c).
45.15(a)	Removed.
45.15(b)	45.15(d).
45.16	45.16.

XII. Regulatory Notices and Analyses

Paperwork Reduction Act

This proposal contains new information collection requirements as described in the subsequent paragraphs of this section. As required by the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)), the FAA has submitted the information requirements associated with this proposal to the Office of Management and Budget for its review.

Currently, § 21.3(f) requires only holders of TSO authorizations to report to the FAA the results of their investigations, corresponding corrective actions, and if necessary, data necessary for issuing an airworthiness directive. This proposal would amend this paragraph to expand this reporting requirement to apply to all PAHs. The proposal would enhance the FAA's ability to respond to service difficulty reports for all products and articles manufactured under part 21. The likely respondents to this proposed information requirement are two additional Production Approval Holders (PAHs) over the next 10 years. One additional manufacturer would be impacted every 5 years (years 5 and 10). Eighty-six percent of Technical Standard Order (TSO) authorization holders are small businesses, and the remaining 14% are large businesses (based on a 45% sample of FAA data). The estimate of average time to comply with the rule is 40 hours for small businesses and 64 hours for large businesses. The average cost to comply with the rule is $4,000 for small businesses and $6,400 for large businesses. The weighted average cost to comply with the rule is approximately $4,300. The undiscounted cost of this section of the rule is approximately $8,700. The average total annual cost burden is approximately $870. The average total annual hour burden is approximately 8.7 hours.

This proposal would require an applicant for a TC (including an STC) or a major change to a type design to provide a statement to the FAA certifying that the applicant has complied with the applicable requirements. This proposal would allow the FAA to exercise greater discretion in prioritizing its review of applications, to more effectively assign resources supporting the application process, and to select which aspects of an application to review most closely. The likely respondents to this proposed information requirement are all PMAs. The average cost to comply with the rule is approximately $50 per firm. The total cost to comply with the rule is approximately $74,650 (1,493 firms × $50/firm = $74,650). The average total annual cost burden is approximately $7,465 ($74,650/10 years = $7,465). The average total annual hour burden is approximately 75 hours.

This proposal would require each PAH to issue and each manufacturer under a TC to obtain an airworthiness approval, FAA Form 8130–3, for each aircraft engine, propeller, article, or shipment thereof produced under that production approval or TC that conforms to its approved design and is in a condition for safe operation. The intent of this proposal is to—

- Make a major contribution towards eliminating unapproved parts;
- Enhance the probability of success in prosecuting a manufacturer of unapproved parts by challenging unauthorized and fraudulent use of an FAA document;
- Provide greater confidence in the source of a part to users throughout the world;
- Provide evidence of the airworthiness approval status of an aircraft engine, propeller, and article; and
- Help an installer make accurate airworthiness determinations.

There are four categories of likely respondents to this proposed information requirement.

Manufacturing Under a TC

About 36 small businesses manufacture under a PC. The cost to tag all parts produced under a TC only is less than 1% of the cost to do so under a PC. Since it costs a small PC an additional $100,000 to comply with the corresponding rule for PCs, it will cost a small firm producing under a TC only less than $1,000 to comply. The average annual cost to comply is estimated to be no more than approximately $36,000. The average total annual hour burden is no more than approximately 36 hours.

PC Holders

Approximately 32 PC holders are large businesses. About 80% of large PC holders currently tag all parts. There are 36 PC holders that are small businesses. About 45% of small PC holders currently tag all parts. The average additional cost to tag all parts is estimated to be $100,000 for a small business and $70,667 for a large business. The average total annual cost to comply is estimated to be about $3,600,000 for small businesses and $452,267 for large businesses. The average total annual cost is estimated to be about $4,052,267. The average total annual hour burden is estimated to be about 4,052 hours.

PMA Holders

Based on a sample of FAA data, there are approximately 1,374 PMA holders that are small businesses and about 119 PMA holders that are large firms. Based on information from FAA inspectors, an average of about 31% of PMAs currently tag all parts or shipments of parts. The average additional cost to tag all parts or shipments of parts produced under a PMA is about $2,400 for small businesses and about $82,500 for large businesses. The average total annual cost to comply is approximately $9.3 million. The average total annual hour burden is approximately 93,000 hours.

TSO Authorization Holders

Based on a sample of FAA data, there are approximately 302 TSO authorization holders that are small businesses and about 49 TSO authorization holders that are large businesses. Based on information from FAA inspectors, an average of about 50% of TSO authorization holders currently tag all shipments of articles or parts. The average additional cost to tag all shipments of articles or parts produced under a TSO authorization is estimated to be about $450 for a small business and about $366,875 for a large business. The average total annual cost to comply is estimated to be approximately $9.08 million. The average total annual hour burden is estimated to be approximately 90,800 hours.

Totals

The average total annual cost for all four classes of respondents is estimated at approximately $22.2 million. The average total annual hour burden for all four classes of respondents is estimated at approximately 222,000 hours.

This proposal would require each applicant for a production approval to provide to the FAA a document describing how the applicant's organization will ensure compliance with the requirements for production approvals in part 21 subpart G, K, or O, as applicable. A PAH would also be required to provide to the FAA amendments to this document as necessary to reflect changes in its organization. The intent of this requirement is to obtain a commitment from the top management of the PAH to—

- Establish a quality system that complies with this subchapter and ensures that each product and article conforms to its approved design and is in a condition for safe operation; and
- Continually improve that quality system.

These commitments are widely recognized as necessary for establishing and continually improving quality. Based on information from industry representatives, this is current practice for PC holders and PMA holders. Based on a sample of FAA data, 14% of TSO authorization holders are large businesses and 86% are small businesses. Thus, approximately 302 of the 351 TSO authorization holders are small businesses and about 49 TSO authorization holders are large businesses. There would be no additional cost for a large TSO authorization holder to comply with this proposed regulation, and that the average cost for a small TSO authorization holder to comply with this would be $50. This is a FAA estimate based on information from industry representatives. The average total annual cost to comply is approximately $1,509. The average total annual hour burden is approximately 15 hours.

This proposal would require each applicant for a PMA to provide a quality manual describing its quality system to the FAA for approval. Just as other proposals in this NPRM would standardize quality system requirements for all PAHs, the intent of this proposal is to standardize the requirements for documenting the quality system. In addition, a PAH would have to provide a revised quality manual to reflect proposed changes to quality system requirements. This is already current practice for PC and TSO authorization holders. Based on a sample of FAA data, approximately 1,374 PMA holders are small businesses and about 119 PMA holders are large firms. The average cost to comply with the rule is estimated to be $400 for small businesses and $200 for large businesses. The total cost to comply with the rule is estimated to be approximately $573,312. The average total annual cost burden is estimated to be approximately $57,331. The average total annual hour burden is estimated to be approximately 573 hours.

Current regulations only require marking and identification of products and articles of the top-level assembly. Marking or identification of constituent parts is not required. This proposal would require manufacturers to mark or identify the constituent parts of each product and article with an identifier of the manufacturer and a part number. This proposal would also relieve a holder of a PMA from the requirement of marking its parts with ''FAA–PMA'' and installation eligibility information. The intent of these proposals is to—

- Relieve PMA holders of unnecessary part marking requirements;
- Reduce the potential for installing unapproved parts on FAA type-certificated products;
- Facilitate airworthiness determinations;
- Facilitate the international delivery of parts; and
- Provide information to accident investigators that may help prevent future accidents.

Based on information from industry representatives, this requirement is already current practice for large- and small-business holders of PCs and for small-business holders of PMAs. Based on information from industry representatives, it would cost a large-business holder of a PMA an average of $42,900 to mark every part and every component of a part. Based on a sample of FAA data, approximately 1,374 of the 1,493 PMA holders are small businesses and about 119 PMA holders are large businesses. The average cost to comply is estimated to be $42,900 for a PMA holder that is a large business. The average annual cost to comply is estimated to be $5.1 million.

Based on information from industry representatives, it would cost a TSO authorization holder that is a large business an average of $57,200 to mark

every TSO article and every component of a TSO article. It would cost a TSO authorization holder that is a small business an average of $8,500 to mark everything. Based on a sample of FAA data, approximately 302 of the 351 TSO authorization holders are small firms and about 49 TSO authorization holders are large firms. The average cost for TSO authorization holders to comply with this proposed regulation is $57,200 for large businesses and $8,500 for small businesses. The average annual cost to comply is approximately $2.7 million. The average annual hour burden is 27,000 hours.

The average total annual cost burden for both PMA holders and TSO authorization holders is approximately $7.8 million. The average total annual hour burden is approximately 78,000 hours.

Proposed § 21.9(a)(4) would allow manufacturers to produce ''commercial parts,'' as defined in proposed § 21.1(b), for use in aviation without PMA. To use a ''commercial part'' in the design of a product or part, a design approval holder would provide a list of proposed commercial parts to the appropriate FAA aircraft certification office (ACO) for approval. The design approval holder would identify the application or use of the commercial part and verify that the failure of the part would not degrade the safety of the product. A design approval holder would be responsible for preparing separate lists, for each product or article it manufactures, identifying all commercial parts by part number and nomenclature. The design approval holder would also be responsible for including the list of approved commercial parts, and any approved replacements for those commercial parts, in the manufacturer's maintenance instructions or Instructions for Continued Airworthiness. In addition, a design approval holder who would designate commercial parts would have to establish a system that provides for the review of the intended use and failure consequences of the commercial part on airplane safety; maintains a list of all commercial parts incorporated into each FAA approved product type, TSO article, or PMA part as applicable; furnishes the lists (and changes to the lists) to persons in accordance with existing § 21.50; maintains current commercial parts lists to reflect design changes; and records FAA approval of both the lists and their revisions.

Based on information received from industry, the likely respondents to this proposed requirement are 10 percent of small TSO authorization holders, 10 percent of small PMA holders, all small PC holders, and 25 percent of large PC holders. Based on information received from industry, the average cost per certification per firm is estimated to be $25 for small TSO authorization holders, $62.50 for small PMA holders, $400 for small PC holders, and $32,000 for large PC holders. The average number of new certifications per year is estimated to be 1.5 for small TSO authorization holders, 2 for small PMA holders, and 0.4 for PC holders.

Thus, the average cost per year per affected firm is estimated to be $37.50 for a small TSO authorization holder, $125 for a small PMA holder, $160 for a small PC holder, and $12,800 for a large PC holder. The total yearly cost is estimated to be $1,133 for the 302 small TSO authorization holders, $17,175 for the 1,374 small PMA holders, $10,560 for the 66 small PC holders, and $102,400 for the 32 large PC holders. The total annual cost burden is estimated to be $131,268. The total annual hour burden is estimated to be 1,313 hours.

The total annual cost burden for this NPRM is estimated to be approximately $30.2 million. The total annual hour burden for this NPRM is estimated to be approximately 302,000 hours.

The agency is soliciting comments to—

(1) Evaluate whether the proposed information requirement is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

(2) Evaluate the accuracy of the agency's estimate of the burden;

(3) Enhance the quality, utility, and clarity of the information to be collected;

(4) Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology; and

(5) Determine the best ways to minimize the impact of the proposal on small businesses consistent with our need to impose safety-related requirements.

Individuals and organizations may send comments on the information collection requirement by January 3, 2007, and should direct them to the address listed in the **ADDRESSES** section of this document. Comments also should be sent to the Office of Information and Regulatory Affairs, OMB, New Executive Building, Room 10202, 725 17th Street, NW., Washington, DC 20053, Attention: Desk Officer for FAA.

According to the 1995 amendments to the Paperwork Reduction Act (5 CFR 1320.8(b)(2)(vi)), an agency may not collect or sponsor the collection of information, nor may it impose an information collection requirement unless it displays a currently valid OMB control number. The OMB control number for this information collection will be published in the **Federal Register**, after the Office of Management and Budget approves it.

International Compatibility

In keeping with U.S. obligations under the Convention on International Civil Aviation, it is FAA policy to comply with International Civil Aviation Organization (ICAO) Standards and Recommended Practices to the maximum extent practicable. The FAA has reviewed the corresponding ICAO Standards and Recommended Practices and has identified no differences with these proposed regulations.

Economic Assessment, Regulatory Flexibility Determination, Trade Impact Assessment, and Unfunded Mandates Assessment

Proposed changes to Federal regulations must undergo several economic analyses. First, Executive Order 12866 directs that each Federal agency propose or adopt a regulation only upon a determination that the benefits of the intended regulation justify its costs. Second, the Regulatory Flexibility Act of 1980 requires agencies to analyze the economic impact of regulatory changes on small entities. Third, the Trade Agreements Act (19 U.S.C. 2531–2533) prohibits agencies from setting standards that create unnecessary obstacles to the foreign commerce of the United States. In developing U.S. standards, this Trade Act also requires agencies to consider international standards and, where appropriate, use them as the basis of U.S. standards. Fourth, the Unfunded Mandates Reform Act of 1995 (Public Law 104–4) requires agencies to prepare a written assessment of the costs, benefits, and other effects of proposed or final rules that include a Federal mandate likely to result in the expenditure by State, local, or tribal governments, in the aggregate, or by private sector, of $100 million or more annually (adjusted for inflation).

In conducting these analyses, FAA has determined this rule (1) Has benefits that justify its costs, is not a ''significant regulatory action'' as defined in section 3(f) of Executive Order 12866, and is not ''significant'' as defined in DOT's

Regulatory Policies and Procedures; (2) would have a significant economic impact on a substantial number of small entities; (3) would reduce barriers to international trade; and (4) would not impose an unfunded mandate on state, local, or tribal governments, or on the private sector. These analyses, available in the docket, are summarized below.

Regulatory Evaluation Summary

This portion of the preamble summarizes the FAA's analysis of the economic impacts of this proposal. It also includes summaries of the initial regulatory flexibility analysis, international trade impact assessment, and the unfunded mandate assessment. For more information, we suggest readers go to the full regulatory evaluation, a copy of which we have placed in the docket for this rulemaking.

Total Costs and Benefits of This Rulemaking

This Regulatory Evaluation examines the impacts of a Federal Aviation Administration (FAA) proposed rule making various changes in design, production, airworthiness approval, and marking regulations for products, parts, and appliances. These proposed changes would include (1) Enhancing and standardizing requirements (e.g., quality system, notification of quality system changes, responsibilities) for production approval holders; (2) requiring an airworthiness approval document to be issued with all aircraft engine, propeller, part, appliance, and article shipments from a production approval holder; and (3) requiring all parts to be marked. The intent of these proposed changes is to promote safety and to reflect the current state of the industry.

The FAA estimates the present (2005$) value of the total quantified safety benefits from 2009 through 2018 of all quality system related accidents to be about $11.5 million. It is FAA practice to use a fairly short period of analysis (*e.g.*, 10 years) for procedural changes that have no significant front-loaded costs. The cost savings of the proposed rule from 2009 through 2018 would be approximately $137 million in net present or discounted cost savings (calculated by subtracting cost savings from costs). Accordingly, the benefits justify the costs. More detailed benefit and cost information is provided below. The FAA seeks comments on these estimates.

Who Is Potentially Affected by This Rulemaking

All production approval holders in the aviation industry are affected by this rulemaking. For example, this includes holders of production certificates, technical standard order authorizations, and parts manufacturer approvals. This rulemaking also affects design approval holders, distributors, importers and exporters of products and articles, and air cargo carriers that operate under part 135.

Our Cost Assumptions and Sources of Information

- Discount rate—7%. Sensitivity analysis was performed on 3% and 7%.
- Period of Analysis—2009 through 2018.
- Burdened labor rate for engineers and quality professionals—$100/hour.
- Value of fatality avoided—$3.0 million (Source: ''Treatment of Value of Life and Injury in Economic Analysis,'' (FAA APO Bulletin, February 2002)).
- Final rule will become effective 18 months after publication.

Benefits of This Rulemaking

The FAA estimates the present (2005$) value of the total quantified safety benefits from 2009 through 2018 of all quality system related accidents to be about $11.5 million. The FAA presents a more detailed discussion of the benefits and costs of this proposed rulemaking in the complete Regulatory Evaluation filed in the docket.

Costs of This Rulemaking

The cost savings of the proposed rule from 2009 through 2018 are approximately $137 million in present or discounted cost savings. Refer to the tables below for a more detailed breakdown of the costs and cost savings.

Regulation	Undiscounted total costs	Discounted total costs
Part 1: Definitions and Abbreviations		
Subpart A—Definitions	$0	$0
Part 21: Certification Procedures for Products and Parts		
Subpart A—General	1,321,300	756,900
Subpart B—Type Certificates	0	0
Subpart C—Provisional Type Certificates	0	0
Subpart D—Changes to Type Certificates	0	0
Subpart E—Supplemental Type Certificates	0	0
Subpart F—Production Under Type Certificate Only	360,000	206,400
Subpart G—Production Certificates	40,707,300	23,373,800
Subpart H—Airworthiness Certificates	(4,155,500)	(2,342,200)
Subpart I—Provisional Airworthiness Certificates	0	0
Subpart J—Delegation Option Authorization Procedures	0	0
Subpart K—Approval of Materials, Parts, Processes, and Appliances	91,506,000	52,692,200
Subpart L—Export Airworthiness Approvals	(564,351,000)	(323,561,300)
Subpart N—Approval of Engines, Propellers, Materials, Parts, and Appliances: Import	0	0
Subpart O—Technical Standard Order Authorizations	90,835,500	52,081,900
Part 43: Maintenance, Preventive Maintenance, Rebuilding, and Alteration		
	0	0
Part 45: Identification and Registration Marking		
Subpart A—General	0	0
Subpart B—Identification of Products, Parts, and TSO Articles	105,005,900	60,203,400

Regulation	Undiscounted total costs	Discounted total costs
Total Costs	(238,770,500)	(136,588,900)

BREAKDOWN OF SUBPART L COST SAVINGS

Regulation section	Undiscounted cost savings	Discounted cost savings
21.323: No Designated Manufacturing Inspection Representative required to export Class III products	($95,552,000)	($54,783,200)
21.325(c): Class II and III products do not have to be located in the U.S. to be exported	(119,661,500)	(68,605,900)
21.329: No annual inspection requirements to export used aircraft	(7,765,000)	(4,451,900)
21.331: No overhaul requirements to export used engines and propellers	(341,372,500)	(195,720,300)
Subtotal	(564,351,000)	(323,561,300)

Regulatory Flexibility Determination

The FAA certifies that this proposed rule would have a significant economic impact on a substantial number (10) of small entities. The FAA presents a more detailed discussion of the impact of this proposed rulemaking on small entities in the complete Regulatory Flexibility Assessment filed in the docket.

International Trade Impact Assessment

The FAA has assessed the potential affect of this proposed rule and has determined that it would impose the same costs on domestic and international entities and, thus, would have a neutral trade impact.

Unfunded Mandates Assessment

This proposed rule does not have costs of $100 million or more in any one year, and therefore does not contain a significant Federal intergovernmental/private sector mandate.

Executive Order 13132, Federalism

The FAA has analyzed this proposed rule under the principles and criteria of Executive Order 13132, Federalism. We determined that this action would not have a substantial direct effect on the States, on the relationship between the national Government and the States, or on the distribution of power and responsibilities among the various levels of government, and therefore would not have federalism implications.

Regulations Affecting Intrastate Aviation in Alaska

Section 1205 of the FAA Reauthorization Act of 1996 (110 Stat. 3213) requires the Administrator, when modifying regulations in title 14 of the CFR in manner affecting intrastate aviation in Alaska, to consider the extent to which Alaska is not served by transportation modes other than aviation, and to establish such regulatory distinctions, as he or she considers appropriate. Because this proposed rule would apply to the certification of future designs of transport category airplanes and their subsequent operation, it could, if adopted, affect intrastate aviation in Alaska. The FAA therefore specifically requests public comments on whether there is justification for applying the proposed rule differently in intrastate operations in Alaska.

Plain English

Executive Order 12866 (58 FR 51735, Oct. 4, 1993) requires each agency to write regulations that are simple and easy to understand. The FAA invites your comments on how to make these proposed regulations easier to understand, including answers to questions such as the following:

- Are the requirements in the proposed regulations clearly stated?
- Do the proposed regulations contain unnecessary technical language or jargon that interferes with their clarity?
- Would the regulations be easier to understand if they were divided into more (but shorter) sections?
- Is the description in the preamble helpful in understanding the proposed regulations?

Please send your comments to the address specified in the **ADDRESSES** section.

Environmental Analysis

FAA Order 1050.1E identifies FAA actions that are categorically excluded from preparation of an environmental assessment or environmental impact statement under the National Environmental Policy Act in the absence of extraordinary circumstances. The FAA has determined this proposed rulemaking action qualifies for the categorical exclusion identified in paragraph 308b and involves no extraordinary circumstances.

Regulations That Significantly Affect Energy Supply, Distribution, or Use

The FAA has analyzed this NPRM under Executive Order 13211, Actions Concerning Regulations that Significantly Affect Energy Supply, Distribution, or Use (May 18, 2001). We have determined that it is not a ''significant energy action'' under the executive order because it is not a ''significant regulatory action'' under Executive Order 12866, and it is not likely to have a significant adverse effect on the supply, distribution, or use of energy.

List of Subjects

14 CFR Part 1

Air transportation.

14 CFR Part 21

Aircraft, Aviation safety, Exports, Imports, Reporting and recordkeeping requirements.

14 CFR Part 43

Aircraft, Aviation safety, Reporting and recordkeeping requirements.

14 CFR Part 45

Aircraft, Exports, Signs and symbols.

The Proposed Amendment

In consideration of the foregoing, the Federal Aviation Administration proposes to amend Chapter I of Title 14, Code of Federal Regulations, as follows:

PART 1—DEFINITIONS AND ABBREVIATIONS

1. The authority citation for part 1 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40113, 44701.

2. Amend § 1.1 by revising the definition of ''Approved'' to read as follows:

§ 1.1 General definitions.

* * * * *

Approved, unless used with reference to another person, means approved by the FAA or any person to whom the FAA has delegated its authority in the matter concerned, or approved under the provisions of a bilateral agreement between the United States and a foreign country or jurisdiction.

* * * * *

3. Amend § 1.2 by adding the following abbreviations in alphabetical order:

§ 1.2 Abbreviations and symbols.

* * * * *

PMA means parts manufacturer approval.

* * * * *

TSO means technical standard order.

* * * * *

PART 21—CERTIFICATION PROCEDURES FOR PRODUCTS AND PARTS

4. Revise the authority citation for part 21 to read as follows:

Authority: 42 U.S.C. 7572; 49 U.S.C. 106(g), 40105, 40113, 44701–44702, 44704, 44707, 44709, 44711, 44713, 44715, 45303.

PART 21—[NOMENCLATURE CHANGE]

5. Amend part 21 by removing the word ''Administrator'' and adding in its place the word ''FAA'' wherever it appears.

6. Amend part 21 by removing the word ''shall'' and adding in its place the word ''must'' wherever it appears.

7. Amend part 21 by removing the phrase ''type certificate only'' and adding in its place the phrase ''type certificate'' wherever it appears.

8. Revise § 21.1 to read as follows:

§ 21.1 Applicability and definitions.

(a) This part prescribes—

(1) Procedural requirements for issuing and changing—

(i) Design approvals;

(ii) Production approvals;

(iii)Airworthiness certificates; and

(iv) Airworthiness approvals;

(2) Rules governing applicants for, and holders of, any approval or certificate specified in paragraph (a)(1) of this section; and

(3) Procedural requirements for the approval of articles.

(b) For the purposes of this part—

(1) *Airworthiness approval* means—

(i) An export certificate of airworthiness issued for an aircraft; or

(ii) A document issued for an aircraft engine, propeller, or article certifying that the aircraft engine, propeller, or article meets its approved design and is in a condition for safe operation;

(2) *Article* means a material, part, component, process, or appliance.

(3) *Commercial part* means a part that the design approval holder designates a commercial part and that the FAA finds—

(i) Is not specifically designed or produced for applications on aircraft; and

(ii) Is produced only under the commercial part manufacturer's specification and marked only with the commercial part manufacturer's markings;

(4) *Design approval* means a type certificate (including amended and supplemental type certificates) or the approved design under a PMA, TSO authorization, letter of TSO design approval, or other approved design;

(5) *Product* means an aircraft, aircraft engine, or propeller;

(6) *Production approval* means—

(i) A production certificate;

(ii) An approval to produce an article under a TSO authorization; or

(iii) An approval to produce a part or appliance under a PMA.

(7) *Standard part* means a part that conforms to an established industry, U.S., foreign government agency, or consensus standards organization specification that contains—

(i) Design, manufacturing, test, and acceptance criteria and uniform marking requirements; or

(ii) Performance criteria and uniform marking requirements that have been found by the FAA to be adequate for making a finding of airworthiness for that part;

(8) *State of Design* means a State having jurisdiction over an organization responsible for design approvals, including those entities who are not ICAO contracting States, but who exercise authority over an organization responsible for design approvals; and

(9) *State of Manufacture* means a State having jurisdiction over an organization responsible for the production, final assembly, or final determination of airworthiness of a product or article, including those entities who are not ICAO contracting States, but who exercise authority over an organization responsible for the production, final assembly, or final determination of airworthiness of a product or article.

9. Revise § 21.2 to read as follows:

§ 21.2 Falsification of applications, reports, or records.

(a) A person may not make or cause to be made—

(1) Any fraudulent, intentionally false, or misleading statement on any application for a certificate or approval under this part;

(2) Any fraudulent, intentionally false, or misleading statement in any record or report that is kept, made, or used to show compliance with any requirement of this part;

(3) Any reproduction for a fraudulent purpose of any certificate or approval issued under this part; or

(4) Any alteration of any certificate or approval issued under this part.

(b) The commission by any person of an act prohibited under paragraph (a) of this section is a basis for—

(1) Denying issuance of any certificate or approval under this part; and

(2) Suspending or revoking any certificate or approval issued under this part and held by that person.

10. Amend § 21.3 by revising paragraphs (a), (b), (d), (e)(3), and (f) to read as follows:

§ 21.3 Reporting of failures, malfunctions, and defects.

(a) The holder of a type certificate (including amended or supplemental type certificates), a PMA, or a TSO authorization, or the licensee of a type certificate must report any failure, malfunction, or defect in any product or article manufactured by it that it determines has resulted in any of the occurrences listed in paragraph (c) of this section.

(b) The holder of a type certificate (including amended or supplemental type certificates), a PMA, or a TSO authorization, or the licensee of a type certificate must report any defect in any product or article manufactured by it that has left its quality system and that it determines could result in any of the occurrences listed in paragraph (c) of this section.

(c) * * *

(d) The requirements of paragraph (a) of this section do not apply to—

(1) Failures, malfunctions, or defects that the holder of a type certificate (including amended or supplemental type certificates), PMA, TSO authorization, or the licensee of a type certificate determines—

(i) Were caused by improper maintenance or use;

(ii) Were reported to the FAA by another person under this chapter; or

(iii) Were reported under the accident reporting provisions of 49 CFR part 830 of the regulations of the National Transportation Safety Board.

(2) Failures, malfunctions, or defects in products or articles—

(i) Manufactured by a foreign manufacturer under a U.S. type certificate issued under § 21.29 or under an approval issued under § 21.621; or

(ii) Exported to the United States under § 21.502.

(e) * * *
(1) * * *
(2) * * *
(3) Must include as much of the following information as is available and applicable:
(i) The applicable product and article identification information required by part 45 of this chapter;
(ii) Identification of the system involved; and
(iii) Nature of the failure, malfunction, or defect.
(f) If an accident investigation or service difficulty report shows that a product or article manufactured under this part is unsafe because of a manufacturing or design data defect, the holder of the production approval for that product or article must, upon request of the FAA, report to the FAA the results of its investigation and any action taken or proposed by the holder of that production approval to correct that defect. If action is required to correct the defect in an existing product or article, the holder of that production approval must send the data necessary for issuing an appropriate airworthiness directive to the appropriate aircraft certification office.

11. Amend § 21.5 by revising paragraph (a) to read as follows:

§ 21.5 Airplane or Rotorcraft Flight Manual.

(a) With each airplane or rotorcraft not type certificated with an Airplane or Rotorcraft Flight Manual and having no flight time before March 1, 1979, the holder of a type certificate (including amended or supplemental type certificates) or the licensee of a type certificate must make available to the owner at the time of delivery of the aircraft a current approved Airplane or Rotorcraft Flight Manual.
* * * * *

12. Amend subpart A by adding § 21.7 to read as follows:

§ 21.7 Approval of articles.

If an article is required to be approved under this chapter, it may be approved—
(a) Under a PMA for parts and appliances;
(b) Under a TSO;
(c) In conjunction with type certification procedures for a product; or
(d) In any other manner approved by the FAA.

13. Amend subpart A by adding § 21.9 to read as follows:

§ 21.9 Replacement and modification parts.

(a) If a person knows, or should know, that a replacement or modification part is reasonably likely to be installed on a type-certificated product, the person may not produce that part unless it is—
(1) Produced under a type certificate;
(2) Produced under an FAA production approval;
(3) A standard part;
(4) A commercial part, administered in a manner acceptable to the FAA; or
(5) Produced by an owner or operator for maintaining or altering that owner or operator's product.
(b) Except as provided in paragraphs (a)(1) through (a)(4) of this section, a person who produces a replacement or modification part for sale may not represent that part as suitable for installation on a type-certificated product.
(c) Except as provided in paragraphs (a)(1) through (a)(4) of this section, a person may not sell or represent a part as suitable for installation on an aircraft type-certificated under §§ 21.25(a)(2) or 21.27 unless that part—
(1) Was declared surplus by the U.S. Armed Forces;
(2) Was intended for use on that aircraft model by the U.S. Armed Forces; and
(3) The person determines it is in a condition for safe operation.

§ 21.15 [Amended]

14. Amend § 21.15 by removing the words ''Aircraft Certification Office'' in paragraph (a) and adding, in their place, the words ''aircraft certification office.''

15. Amend subpart B by adding § 21.20 to read as follows:

§ 21.20 Compliance with applicable requirements.

The applicant for a type certificate, including an amended or supplemental type certificate, must—
(a) Show compliance with all applicable requirements and must provide the FAA the means by which such compliance has been shown; and
(b) Provide a statement certifying that the applicant has complied with the applicable requirements.

§ 21.21 [Amended]

16. Amend § 21.21 by removing the words ''the Federal Aviation Regulations'' and adding, in their place, the words ''this subchapter'' wherever they appear.

§ 21.27 [Amended]

17. Amend § 21.27 as follows:
a. Remove the words ''the Federal Aviation Regulations'' in paragraph (c) and add, in their place, the words ''this subchapter;''
b. Remove the words ''FAR Part 23,'' wherever they occur, from the second and third columns of the table in paragraph (f) and add, in their place, the words ''part 23 of this chapter;''
c. Remove the words ''FAR Part 25,'' wherever they occur, from the third column of the table in paragraph (f) and add, in their place, the words ''part 25 of this chapter;''
d. Remove the words ''FAR Part 27'' from the third column of the table in paragraph (f) and add, in their place, the words ''part 27 of this chapter;'' and
e. Remove the words ''FAR Part 29'' from the third column of the table in paragraph (f) and add, in their place, the words ''part 29 of this chapter.''

18. Revise § 21.29 to read as follows:

§ 21.29 Issue of type certificate: import products.

(a) The FAA may issue a type certificate for a product that is manufactured in a foreign country or jurisdiction with which the United States has an agreement for the acceptance of these products for export and import and that is to be imported into the United States if—
(1) The applicable State of Design certifies that the product has been examined, tested, and found to meet—
(i) The applicable aircraft noise, fuel venting and exhaust emissions requirements of this subchapter as designated in § 21.17, or the applicable aircraft noise, fuel venting and exhaust emissions requirements of the State of Design, and any other requirements the FAA may prescribe to provide noise, fuel venting and exhaust emission levels no greater than those provided by the applicable aircraft noise, fuel venting, and exhaust emission requirements of this subchapter as designated in § 21.17; and
(ii) The applicable airworthiness requirements of this subchapter as designated in § 21.17, or the applicable airworthiness requirements of the State of Design and any other requirements the FAA may prescribe to provide a level of safety equivalent to that provided by the applicable airworthiness requirements of this subchapter as designated in § 21.17;
(2) The applicant has provided technical data to show the product meets the requirements of paragraph (a)(1) of this section; and
(3) The manuals, placards, listings, and instrument markings required by the applicable airworthiness (and noise, where applicable) requirements are presented in the English language.
(b) A product type certificated under this section is considered to be type certificated under the noise standards of part 36, and the fuel venting and exhaust emission standards of part 34, of this subchapter. Compliance with

parts 36 and 34, is certified under paragraph (a)(1)(i) of this section, and the applicable airworthiness standards of this subchapter, or an equivalent level of safety, with which compliance is certified under paragraph (a)(1)(ii) of this section.

§ 21.33 [Amended]

19. Amend § 21.33(a) introductory text by removing the words ''the Federal Aviation Regulations'' and adding, in their place, the words ''this subchapter.''

§ 21.45 [Amended]

20. Amend § 21.45 as follows:

a. Remove the words ''or certified'' from paragraph (b) and add in their place the words ''on certificated.''

b. Remove the words ''§§ 21.133 through 21.163'' from paragraph (c) and add in their place the words ''subpart G of this part.''

21. Revise § 21.47 to read as follows:

§ 21.47 Transferability.

(a) A holder of a type certificate may transfer it or make it available to other persons by licensing agreements.

(b) For a type certificate transfer in which the State of Design will remain the same, each transferor must, before such a transfer, notify in writing the appropriate aircraft certification office. This notification must include the applicable type certificate number, the name and address of the transferee, and the anticipated date of the transfer.

(c) For a type certificate transfer in which the State of Design is changing, a type certificate may only be transferred to or from a person subject to the authority of another State of Design if the United States has an agreement with that State of Design for the acceptance of the affected product for export and import. Each transferor must notify the appropriate aircraft certification office before such a transfer in a form and manner acceptable to the FAA. This notification must include the applicable type certificate number; the name, address, and country of residence of the transferee; and the anticipated date of the transfer.

(d) Before executing or terminating a licensing agreement that makes a type certificate available to another person, the type certificate holder must notify in writing the appropriate aircraft certification office. This notification must include the type certificate number addressed by the licensing agreement, the name and address of the licensee, the extent of authority granted the licensee, and the anticipated date of the agreement.

22. Revise § 21.53(a) to read as follows:

§ 21.53 Statement of conformity.

(a) Each applicant must provide a statement to the FAA that each aircraft engine or propeller presented for type certification conforms to its type design.

* * * * *

§ 21.73 [Amended]

23. Amend § 21.73(b) by removing the words ''Any manufacturer of aircraft manufactured in a foreign country with which the United States has an agreement'' and adding in their place the words ''Any manufacturer of aircraft in a State of Manufacture subject to the provisions of an agreement with the United States''.

24. Revise § 21.75 to read as follows:

§ 21.75 Application.

Each applicant for a provisional type certificate, for an amendment thereto, or for a provisional amendment to a type certificate must apply to the appropriate aircraft certification office and provide the information required by this subpart.

25. Revise § 21.97(a) to read as follows:

§ 21.97 Approval of major changes in type design.

(a) An applicant for approval of a major change in type design must—

(1) Provide substantiating data and necessary descriptive data for inclusion in the type design;

(2) Show that the changed product complies with the applicable requirements of this subchapter, and provide the FAA the means by which such compliance has been shown; and

(3) Provide a statement certifying that the applicant has complied with the applicable requirements.

* * * * *

26. Revise § 21.113 to read as follows:

§ 21.113 Requirement for supplemental type certificate.

(a) If a person holds the TC for a product and alters that product by introducing a major change in type design that does not require an application for a new TC under § 21.19, that person must either apply to the appropriate aircraft certification office for an STC or apply to amend the original type certificate under subpart D of this part.

(b) If a person does not hold the TC for a product and alters that product by introducing a major change in type design that does not require an application for a new TC under § 21.19, that person must apply to the appropriate aircraft certification office for an STC.

(c) The application for an STC must be made in the form and manner prescribed by the FAA.

§ 21.117 [Amended]

27. Amend § 21.117 by removing the words ''if he'' from paragraph (a) and adding in their place the words ''if the FAA finds that the applicant''.

28. Revise § 21.119(c) to read as follows:

§ 21.119 Privileges.

* * * * *

(c) Obtain a production certificate in accordance with the requirements of subpart G of this part for the change in the type design approved by that supplemental type certificate.

29. Amend subpart F by adding § 21.122 to read as follows:

§ 21.122 Location of or change to manufacturing facilities.

(a) If the FAA finds no undue burden in administering the applicable requirements of Title 49 U.S.C. and this subchapter, a type certificate holder may use manufacturing facilities located outside of the United States.

(b) The type certificate holder must obtain FAA approval before making any changes to its manufacturing facilities that would affect the inspection or airworthiness of its products or articles, including changes to the location of any of its manufacturing facilities.

30. Revise § 21.123 to read as follows:

§ 21.123 Production under type certificate.

Each manufacturer of a product or article being manufactured under a type certificate must—

(a) Maintain at the place of manufacture all information and data specified in §§ 21.31 and 21.41;

(b) Make each product and article available for inspection by the FAA;

(c) Maintain records of the completion of all inspections and tests required by §§ 21.127, 21.128, and 21.129 for at least 5 years for the products and articles manufactured under the approval and at least 10 years for critical components identified under § 45.15(c) of this chapter;

(d) Allow the FAA to make any inspection or test, including any inspection or test at a supplier facility, necessary to determine compliance with this subchapter;

(e) Obtain an airworthiness approval for each aircraft engine, propeller, and article produced under that type certificate as evidence that it conforms to its approved design and is in a condition for safe operation; and

(f) Except as otherwise authorized by the FAA, obtain a production certificate for that product in accordance with

subpart G of this part within 6 months after the date of issuance of the type certificate.

§ 21.125 [Removed and Reserved]

31. Remove and reserve § 21.125.

32. Revise § 21.130 to read as follows:

§ 21.130 Statement of Conformity.

Each holder or licensee of a type certificate who manufactures a product or article under this subpart must provide a statement to the FAA that each product or article conforms to its type certificate and is in a condition for safe operation.

33. Revise subpart G to read as follows:

Subpart G—Production Certificates

Sec.

§ 21.131 Applicability.

This subpart prescribes—

(a) Procedural requirements for issuing production certificates; and

(b) Rules governing holders of those certificates.

§ 21.132 Eligibility.

Any person may apply for a production certificate if that person holds, for the product concerned—

(a) A current type certificate;

(b) A supplemental type certificate; or

(c) Rights to the benefits of that type certificate or supplemental type certificate under a licensing agreement.

§ 21.133 Application.

Each applicant must apply for a production certificate in a form and manner prescribed by the FAA.

§ 21.135 Organization.

Each applicant must provide the FAA with a document describing how the applicant's organization will ensure compliance with the provisions of this subpart. At a minimum, the document must describe assigned responsibilities and delegated authority, and the functional relationship of those responsible for quality to management and other organizational components.

§ 21.137 Quality system.

Each applicant must establish and describe in writing a quality system that ensures that each product and article conforms to its approved design and is in a condition for safe operation. This quality system must include:

(a) *Design data control.* Procedures for controlling design data and subsequent changes to ensure that only current, correct, and approved data is used.

(b) *Document control.* Procedures for controlling quality system documents and data and subsequent changes to ensure that only current, correct, and approved documents and data are used.

(c) *Supplier control.* Procedures that—

(1) Ensure that each supplier-furnished product or article conforms to its approved design; and

(2) Require each supplier to report to the production approval holder if a product or article has been released from that supplier and subsequently found not to conform to the applicable design data.

(d) *Manufacturing process control.* Procedures for controlling manufacturing processes to ensure that each product and article conforms to its approved design.

(e) *Inspecting and testing.* Procedures for inspections and tests used to ensure that each product and article conforms to its approved design. These procedures must include the following, as applicable:

(1) A flight test of each aircraft produced unless that aircraft will be exported as an unassembled aircraft.

(2) A functional test of each aircraft engine and each propeller produced.

(f) *Inspection, measuring, and test equipment control.* Procedures to ensure calibration and control of all inspection, measuring, and test equipment used in determining conformity of each product and article to its approved design. Each calibration standard must be traceable to a standard acceptable to the FAA.

(g) *Inspection and test status.* Procedures for documenting the inspection and test status of products and articles supplied or manufactured to the approved design.

(h) *Certifying staff.* Procedures for establishing and maintaining a certifying staff responsible for issuing airworthiness approvals for each aircraft engine, propeller, and article.

(i) *Nonconforming product and article control.* (1) Procedures to ensure that only products or articles that conform to their approved design are installed on a type-certificated product. These procedures must provide for the identification, documentation, evaluation, segregation, and disposition of nonconforming products and articles. Only authorized individuals may make disposition determinations.

(2) Procedures to ensure that discarded articles are rendered unusable.

(j) *Corrective and preventive actions.* Procedures for implementing corrective and preventive actions to eliminate the causes of an actual or potential nonconformity to the approved design or noncompliance with the approved quality system.

(k) *Handling and storage.* Procedures to prevent damage and deterioration of each product and article during handling, storage, preservation, packaging, and delivery.

(l) *Control of quality records.* Procedures for identifying, storing, protecting, retrieving, and retaining quality records. A production approval holder must retain these records for at least 5 years for the products and articles manufactured under the approval and at least 10 years for critical components identified under § 45.15(c) of this chapter.

(m) *Internal audits.* Procedures for planning, conducting, and documenting internal audits to ensure compliance with the approved quality system. The procedures must include reporting results of internal audits to the manager responsible for implementing corrective and preventive actions.

(n) *In-service feedback.* Procedures for receiving and processing feedback on in-service failures, malfunctions, and defects. These procedures must include a process for assisting the design approval holder to—

(1) Address any in-service problem involving design changes; and

(2) Determine if any changes to the Instructions for Continued Airworthiness are necessary.

(o) *Quality escapes.* Procedures for identifying, analyzing, and initiating appropriate corrective action for products or articles that have been released from the quality system and that do not conform to the applicable design data or quality system requirements.

§ 21.138 Quality manual.

Each applicant must provide a manual describing its quality system to the FAA for approval. The manual must be in the English language and retrievable in a form acceptable to the FAA.

§ 21.139 Location of or change to manufacturing facilities.

(a) If the FAA finds no undue burden in administering the applicable

requirements of Title 49 U.S.C. and this subchapter, an applicant may obtain a production certificate for manufacturing facilities located outside of the United States.

(b) The production certificate holder must obtain FAA approval before making any changes to its manufacturing facilities that could affect the inspection or airworthiness of its products or articles, including changes to the location of any of its manufacturing facilities.

§ 21.140 Inspections and tests.

Each applicant for or holder of a production certificate must allow the FAA to inspect its quality system, facilities, technical data, and any manufactured products or articles and witness any tests, including any inspections or tests at a supplier facility, necessary to determine compliance with this subchapter.

§ 21.141 Issuance.

The FAA issues a production certificate after finding that the applicant complies with the requirements of this subpart.

§ 21.142 Production limitation record.

The FAA issues a production limitation record as part of a production certificate. The record lists the type certificate number and the model of every product that the production certificate holder is authorized to manufacture.

§ 21.143 Duration.

A production certificate is effective until surrendered, suspended, revoked, or the FAA otherwise establishes a termination date.

§ 21.144 Transferability.

The holder of a production certificate may not transfer the production certificate.

§ 21.145 Privileges.

(a) The holder of a production certificate may—

(1) Obtain an aircraft airworthiness certificate without further showing, except that the FAA may inspect the aircraft for conformity with the type design; or

(2) In the case of other products, obtain approval from the FAA for installation on type-certificated aircraft.

(b) Notwithstanding the provisions of § 147.3 of this chapter, the holder of a production certificate for a primary category aircraft, or for a normal, utility, or acrobatic category aircraft of a type design that is eligible for a special airworthiness certificate in the primary category under § 21.184(c), may—

(1) Conduct training for persons in the performance of a special inspection and preventive maintenance program approved as a part of the aircraft's type design under § 21.24(b), provided a person holding a mechanic certificate with appropriate airframe and powerplant ratings issued under part 65 of this chapter gives the training; and

(2) Issue a certificate of competency to persons successfully completing the approved training program, provided the certificate specifies the aircraft make and model to which the certificate applies.

§ 21.146 Responsibility of holder.

The holder of a production certificate must—

(a) Amend the document required by § 21.135 as necessary to reflect changes in the organization and provide these amendments to the FAA.

(b) Maintain the quality system in compliance with the data and procedures approved for the production certificate;

(c) Ensure that each article and completed product, including primary category aircraft assembled under a production certificate by another person from a kit provided by the holder of the production certificate, presented for airworthiness certification or approval conforms to its approved design and is in a condition for safe operation;

(d) Issue an airworthiness approval for each aircraft engine, propeller, and article produced under that production certificate that conforms to its approved design and is in a condition for safe operation;

(e) Maintain complete and current type design data for each product and article produced under the production certificate;

(f) Retain its production certificate and make it available to the FAA upon request; and

(g) Make available to the FAA information regarding all delegation of authority to suppliers.

§ 21.147 Amendment of production certificates.

The holder of a production certificate must apply for an amendment to a production certificate in a form and manner prescribed by the FAA. The applicant for an amendment to a production certificate to add a type certificate or model, or both, must comply with the applicable requirements of §§ 21.137, 21.138, and 21.150.

§ 21.150 Changes in quality system.

After the issuance of a production certificate—

(a) Each change to the quality system is subject to review by the FAA; and

(b) The holder of a production certificate must immediately notify the FAA, in writing, of any change that may affect the inspection, conformity, or airworthiness of its product or article.

34. Amend § 21.183 by revising paragraphs (c), (d)(1), (d)(2), and (d)(3) to read as follows:

§ 21.183 Issue of standard airworthiness certificates for normal, utility, acrobatic, commuter, and transport category aircraft; manned free balloons; and special classes of aircraft.

* * * * *

(c) *Import aircraft.* An applicant for a standard airworthiness certificate for an import aircraft is entitled to that certificate if—

(1) The aircraft is type certificated in accordance with § 21.21 or § 21.29 and produced under the authority of another State of Manufacture;

(2) The State of Manufacture certifies, in accordance with the provisions of an agreement with the United States for import and export of that aircraft, that the aircraft conforms to the type design and is in condition for safe operation; and

(3) The FAA finds that the aircraft conforms to the type design and is in condition for safe operation.

(d) * * *

(1) The applicant presents evidence to the FAA that the aircraft conforms to a type design approved under a type certificate or a supplemental type certificate and to applicable Airworthiness Directives;

(2) The aircraft (except an experimentally certificated aircraft that previously had been issued a different airworthiness certificate under this section) has been inspected in accordance with the performance rules for 100-hour inspections set forth in § 43.15 of this chapter, or an equivalent performance standard acceptable to the FAA, and found airworthy by—

(i) The manufacturer;

(ii) The holder of a repair station certificate as provided in part 145 of this chapter;

(iii)The holder of a mechanic certificate as authorized in part 65 of this chapter;

(iv) The holder of a certificate issued under part 121 of this chapter, and having a maintenance and inspection organization appropriate to the aircraft type; or

(v) The holder of a license or certificate to perform aircraft maintenance that is issued by a foreign country or jurisdiction if the United States has an agreement with that

country or jurisdiction for the acceptance of used aircraft; and

(3) The FAA finds after inspection, that the aircraft conforms to the type design, and is in condition for safe operation.

* * * * *

35. Revise § 21.185(c) to read as follows:

§ 21.185 Issue of airworthiness certificates for restricted category aircraft.

* * * * *

(c) *Import aircraft.* An applicant for the original issue of a special airworthiness certificate for a restricted category import aircraft is entitled to that certificate if—

(1) The aircraft is type-certificated in accordance with § 21.25 or § 21.29 and produced under the authority of another State of Manufacture;

(2) The State of Manufacture certifies, in accordance with the provisions of an agreement with the United States for import and export of that aircraft that the aircraft conforms to the type design and is in condition for safe operation; and

(3) The FAA finds that the aircraft conforms to the type design and is in condition for safe operation.

* * * * *

36. Revise § 21.195(d)(2) to read as follows:

§ 21.195 Experimental certificates: aircraft to be used for market surveys, sales demonstrations, and customer crew training.

* * * * *

(d) * * *

(1) * * *

(2) The applicant shows that the aircraft has been flown for at least 50 hours, or for at least 5 hours if it is a type certificated aircraft which has been modified. The FAA may reduce these operational requirements if the applicant provides adequate justification.

37. Revise § 21.197(c) to read as follows:

§ 21.197 Special flight permits.

* * * * *

(c) Upon application, as prescribed in §§ 119.51 or 91.1017 of this chapter, a special flight permit with a continuing authorization may be issued for aircraft that may not meet applicable airworthiness requirements, but are capable of safe flight for the purpose of flying aircraft to a base where maintenance or alterations are to be performed. The permit issued under this paragraph is an authorization, including conditions and limitations for flight, which is set forth in the certificate holder's operations specifications. The permit issued under this paragraph may be issued to—

(1) Certificate holders authorized to conduct operations under part 119 of this chapter, that have an approved program for continuing flight authorization; or

(2) Management specification holders authorized to conduct operations under part 91, subpart K, for those aircraft they operate and maintain under a continuous airworthiness maintenance program prescribed by § 91.1411 of this part.

§ 21.223 [Amended]

38. Amend § 21.223 by removing the word ''control'' from paragraph (c).

§ 21.225 [Amended]

39. Amend § 21.225 by removing the word ''control'' from paragraph (b).

§ 21.251 [Amended]

40. Amend § 21.251 by removing the words ''(FAA Form 8130–3)'' from paragraphs (b)(4)(iii) and (b)(4)(iv).

§ 21.253 [Amended]

41. Amend § 21.253 by removing the words ''(FAA Form 312)'' from paragraph (a)(1).

42. Revise § 21.267(d) to read as follows:

§ 21.267 Production certificates.

* * * * *

(d) After placing the manufacturing and quality system data required by § 21.137 with the data required by § 21.293(a)(1)(ii), a statement certifying that this has been done.

§ 21.271 [Amended]

43. Amend § 21.271(a) by removing the words ''(FAA Form 8130–3).''

44. Revise § 21.293(a)(2) introductory text to read as follows:

§ 21.293 Current records.

(a) * * *

(1) * * *

(2) For 5 years—

* * * * *

45. Revise subpart K to read as follows:

Subpart K—Parts Manufacturer Approvals

Sec.

§ 21.301 Applicability.

This subpart prescribes—

(a) Procedural requirements for issuing PMAs; and

(b) Rules governing holders of PMAs.

§ 21.303 Application.

(a) The applicant for a PMA must apply in a form and manner prescribed by the FAA, and include the following:

(1) The identity of the product on which the part is to be installed.

(2) The name and address of the manufacturing facilities at which these parts are to be manufactured.

(3) The design of the part, which consists of—

(i) Drawings and specifications necessary to show the configuration of the part; and

(ii) Information on dimensions, materials, and processes necessary to define the structural strength of the part.

(4) Test reports and computations necessary to show that the design of the part meets the airworthiness requirements of this subchapter. The test reports and computations must be applicable to the product on which the part is to be installed, unless the applicant shows that the design of the part is identical to the design of a part that is covered under a type certificate. If the design of the part was obtained by a licensing agreement, the applicant must provide evidence of that agreement.

(5) An applicant for a PMA based on test reports and computations must provide a statement certifying that the applicant has complied with the airworthiness requirements of this subchapter.

(b) Each applicant for a PMA must make all inspections and tests necessary to determine—

(1) Compliance with the applicable airworthiness requirements;

(2) That materials conform to the specifications in the design;

(3)That the part conforms to its approved design; and

(4) That the manufacturing processes, construction, and assembly conform to those specified in the design.

§ 21.305 Organization.

Each applicant must provide the FAA with a document describing how the applicant's organization will ensure compliance with the provisions of this subpart. At a minimum, the document must describe assigned responsibilities and delegated authority, and the

functional relationship of those responsible for quality to management and other organizational components.

§ 21.307 Quality system.

Each applicant must establish a quality system that meets the requirements of § 21.137.

§ 21.308 Quality manual.

Each applicant must provide a manual describing its quality system to the FAA for approval. The manual must be in the English language and retrievable in a form acceptable to the FAA.

§ 21.309 Location of or change to manufacturing facilities.

(a) If the FAA finds no undue burden in administering the applicable requirements of Title 49 U.S.C. and this subchapter, an applicant may obtain a PMA for manufacturing facilities located outside of the United States.

(b) The PMA holder must obtain FAA approval before making any changes to its manufacturing facilities that could affect the inspection or airworthiness of its parts, including changes to the location of any of its manufacturing facilities.

§ 21.310 Inspections and tests.

(a) Each applicant for or holder of a PMA must allow the FAA to inspect its quality system, facilities, technical data, and any manufactured parts and witness any tests, including any inspections or tests at a supplier facility, necessary to determine compliance with this subchapter.

(b) Unless otherwise authorized by the FAA, the applicant or holder—

(1) May not present any part to the FAA for an inspection or test unless compliance with § 21.303(b)(2) through (4) has been shown for that part; and

(2) May not make any change to a part between the time that compliance with § 21.303(b)(2) through (4) is shown for that part and the time that the part is presented to the FAA for the inspection or test.

§ 21.311 Issuance.

The FAA issues a PMA after finding that the applicant complies with the requirements of this subpart and the design complies with the requirements of this chapter applicable to the product on which the part is to be installed.

§ 21.313 Duration.

A PMA is effective until surrendered, withdrawn, or the FAA otherwise terminates it.

§ 21.314 Transferability.

The holder of a PMA may not transfer the PMA.

§ 21.316 Responsibility of holder.

Each holder of a PMA must—

(a) Amend the document required by § 21.305 as necessary to reflect changes in the organization and provide these amendments to the FAA.

(b) Maintain the quality system in compliance with the data and procedures approved for the PMA;

(c) Ensure that each part conforms to its approved design and is in a condition for safe operation;

(d) Issue an airworthiness approval for each part produced under that PMA that conforms to its approved design and is in a condition for safe operation;

(e) Maintain complete and current design data for each part produced under the PMA;

(f) Retain each document granting PMA and make it available to the FAA upon request; and

(g) Make available to the FAA information regarding all delegation of authority to suppliers.

§ 21.319 Design changes.

(a) *Classification of design changes.* (1) A ''minor change'' to the design of a part produced under a PMA is one that has no appreciable effect on the weight, balance, structural strength, reliability, operational characteristics, or other characteristics affecting the airworthiness of the part.

(2) A ''major change'' to the design of a part produced under a PMA is any change that is not minor.

(b) *Approval of design changes.* (1) The PMA holder must approve minor changes using a method acceptable to the FAA.

(2) The PMA holder must obtain FAA approval of any major change before including it in the design of a part produced under a PMA.

§ 21.320 Changes in quality system.

After the issuance of a PMA—

(a) Each change to the quality system is subject to review by the FAA; and

(b) The holder of the PMA must immediately notify the FAA, in writing, of any change that may affect the inspection, conformity, or airworthiness of its part.

46. Revise subpart L to read as follows:

Subpart L—Export Airworthiness Approvals

Sec.

§ 21.321 Applicability.

This subpart prescribes—

(a) Procedural requirements for issuing export airworthiness approvals; and

(b) Rules governing the holders of those approvals.

§ 21.325 Export airworthiness approvals.

(a) An export airworthiness approval for an aircraft is issued in the form of an export certificate of airworthiness. This certificate does not authorize operation of that aircraft.

(b) The FAA prescribes the form and manner in which an export airworthiness approval for an aircraft engine, propeller, or article is issued.

(c) If the FAA finds no undue burden in administering the applicable requirements of Title 49 U.S.C. and this subchapter, an export airworthiness approval may be issued for a product or article located outside of the United States.

§ 21.327 Application.

Any person may apply for an export airworthiness approval. Each applicant must apply in a form and manner prescribed by the FAA.

§ 21.329 Issuance of export certificates of airworthiness.

(a) The FAA issues an export certificate of airworthiness for an aircraft if—

(1) A new or used aircraft manufactured under subpart F or G of this part meets the airworthiness requirements under subpart H of this part for a—

(i) Standard airworthiness certificate; or

(ii) Special airworthiness certificate in either the ''primary'' or the ''restricted'' category; or

(2) A new or used aircraft not manufactured under subpart F or G of this part has a valid—

(i) Standard airworthiness certificate; or

(ii) Special airworthiness certificate in either the ''primary'' or the ''restricted'' category; and

(3) Each requirement of the importing country or jurisdiction has been met.

(b) An aircraft need not meet a requirement specified in paragraph (a) of this section, as applicable, if—

(1) The importing country or jurisdiction accepts, in a form and manner acceptable to the FAA, a deviation from that requirement; and

(2) The export certificate of airworthiness lists as an exception each difference, if any, between the aircraft to be exported and its type design.

§ 21.331 Issuance of export airworthiness approvals for aircraft engines, propellers, and articles.

(a) A production approval holder may issue an export airworthiness approval under this subpart to export a new aircraft engine, propeller, or article that it manufactured under this part and that—

(1) Conforms to its approved design and is in a condition for safe operation; and

(2) Meets each requirement of the importing country or jurisdiction.

(b) An aircraft engine, propeller, or article need not meet a requirement of paragraph (a) of this section if—

(1) The importing country or jurisdiction accepts, in a form and manner acceptable to the FAA, a deviation from that requirement; and

(2) The export airworthiness approval lists as an exception each—

(i) Requirement specified by this section that is not met; and

(ii) Difference, if any, between the aircraft engine, propeller, or article to be exported and its approved design.

(c) A person who is not a production approval holder may obtain from the FAA or its designee an export airworthiness approval under this subpart to export a new aircraft engine, propeller, or article.

(d) A person may obtain from the FAA or its designee an export airworthiness approval under this subpart to export a used aircraft engine, propeller, or article that—

(1) Conforms to its approved design and is in a condition for safe operation; and

(2) Meets each requirement of the importing country or jurisdiction.

§ 21.335 Responsibilities of exporters.

Unless otherwise agreed to by the importing country or jurisdiction, each exporter must—

(a) Forward to the importing country or jurisdiction all documents specified by that country or jurisdiction;

(b) Preserve and package products and articles as necessary to protect them against corrosion and damage during transit or storage and state the duration of effectiveness of such preservation and packaging;

(c) Remove or cause to be removed any temporary installation incorporated on an aircraft for the purpose of export delivery and restore the aircraft to the approved configuration upon completion of the delivery flight;

(d) Secure all proper foreign entry clearances from all the countries or jurisdictions involved when conducting sales demonstrations or delivery flights; and

(e) When title to an aircraft passes or has passed to a foreign purchaser—

(1) Request cancellation of the U.S. registration and airworthiness certificates from the FAA, giving the date of transfer of title, and the name and address of the foreign owner;

(2) Return the Registration and Airworthiness Certificates to the FAA; and

(3) Provide a statement to the FAA certifying that the U.S. identification and registration numbers have been removed from the aircraft in compliance with § 45.33.

47. Revise subpart N to read as follows:

Subpart N—Acceptance of Aircraft Engines, Propellers, and Articles for Import

§ 21.500 Acceptance of aircraft engines and propellers.

An aircraft engine or propeller manufactured in a foreign country or jurisdiction meets the requirements for acceptance under this subchapter if—

(a) That country or jurisdiction is subject to the provisions of an agreement with the United States for the acceptance of that product;

(b) That product is identified in accordance with part 45 of this chapter; and

(c) The holder or licensee of a U.S. type certificate for that product furnishes with each such aircraft engine or propeller imported into the United States, an export airworthiness approval issued in accordance with the provisions of that agreement certifying that the individual aircraft engine or propeller—

(1) Conforms to its U.S. type certificate and is in condition for safe operation; and

(2) Has been subjected by the manufacturer to a final operational check.

§ 21.502 Acceptance of articles.

An article (including an article produced under a letter of TSO design approval) manufactured in a foreign country or jurisdiction meets the requirements for acceptance under this subchapter if—

(a) That country or jurisdiction is subject to the provisions of an agreement with the United States for the acceptance of that article;

(b) That article is marked in accordance with part 45 of this chapter; and

(c) An airworthiness approval has been issued in accordance with the provisions of that agreement for that article for import into the United States.

48. Revise subpart O to read as follows:

Subpart O—Technical Standard Order Approvals

Sec.

§ 21.601 Applicability and definitions.

(a) This subpart prescribes—

(1) Procedural requirements for issuing TSO authorizations;

(2) Rules governing the holders of TSO authorizations; and

(3) Procedural requirements for issuing letters of TSO design approval.

(b) For the purposes of this subpart—

(1) A TSO issued by the FAA is a minimum performance standard for specified articles used on civil aircraft;

(2) A TSO authorization is an FAA design and production approval issued to the manufacturer of an article that has been found to meet a specific TSO;

(3) A letter of TSO design approval is an FAA design approval for an article that has been found to meet a specific TSO in accordance with the procedures of § 21.621;

(4) An article manufactured under a TSO authorization, an FAA letter of acceptance as described in § 21.613(b), or an article manufactured under a letter of TSO design approval described in § 21.621 is an approved article for the purpose of meeting the regulations of this chapter that require the article to be approved; and

(5) An article manufacturer is the person who controls the design and quality of the article produced (or to be produced, in the case of an application), including any related parts, processes, or services procured from an outside source.

§ 21.603 Application.

(a) An applicant for a TSO authorization must apply to the appropriate aircraft certification office in the form and manner prescribed by the FAA. The applicant must include the following documents in the application:

(1) A statement of conformance certifying that the applicant has met the requirements of this subpart and that the article concerned meets the applicable TSO that is effective on the date of application for that article.

(2) One copy of the technical data required in the applicable TSO.

(b) If the applicant anticipates a series of minor changes in accordance with § 21.619, the applicant may set forth in its application the basic model number of the article and the part number of the components with open brackets after it to denote that suffix change letters or numbers (or combinations of them) will be added from time to time.

(c) If the application is deficient, the applicant must, when requested by the FAA, provide any additional information necessary to show compliance with this part. If the applicant fails to provide the additional information within 30 days after the FAA's request, the FAA denies the application and notifies the applicant.

§ 21.605 Organization.

Each applicant must provide the FAA with a document describing how the applicant's organization will ensure compliance with the provisions of this subpart. At a minimum, the document must describe assigned responsibilities and delegated authority, and the functional relationship of those responsible for quality to management and other organizational components.

§ 21.607 Quality system.

Each applicant must establish a quality system that meets the requirements of § 21.137.

§ 21.608 Quality manual.

Each applicant must provide a manual describing its quality system to the FAA for approval. The manual must be in the English language and retrievable in a form acceptable to the FAA.

§ 21.609 Location of or change to manufacturing facilities.

(a) If the FAA finds no undue burden in administering the applicable requirements of Title 49 U.S.C. and this subchapter, an applicant may obtain a TSO authorization for manufacturing facilities located outside of the United States.

(b) The holder of a TSO authorization must obtain FAA approval before making any changes to its manufacturing facilities that could affect the inspection or airworthiness of its TSO articles, including changes to the location of any of its manufacturing facilities.

§ 21.610 Inspections and tests.

Each applicant for or holder of a TSO authorization must allow the FAA to inspect its quality system, facilities, technical data, and any manufactured articles and witness any tests, including any inspections or tests at a supplier facility, necessary to determine compliance with this subchapter.

§ 21.611 Issuance.

If the FAA finds that the applicant complies with the requirements of this subchapter, the FAA issues a TSO authorization to the applicant (including all TSO deviations granted to the applicant).

§ 21.613 Duration.

(a) A TSO authorization or letter of TSO design approval is effective until surrendered, withdrawn, or otherwise terminated by the FAA.

(b) If a TSO is revised or canceled, the holder of an affected FAA letter of acceptance of a statement of conformance, TSO authorization, or letter of TSO design approval may continue to manufacture articles that meet the original TSO without obtaining a new acceptance, authorization, or approval but must comply with the requirements of §§ 21.3, 21.137(l), 21.610, 21.613 through 21.619, and 45.15(b).

§ 21.614 Transferability.

The holder of a TSO authorization or letter of TSO design approval may not transfer the TSO authorization or letter of TSO design approval.

§ 21.616 Responsibility of holder.

Each holder of a TSO authorization must—

(a) Amend the document required by § 21.605 as necessary to reflect changes in the organization and provide these amendments to the FAA;

(b) Maintain a quality system in compliance with the data and procedures approved for the TSO authorization;

(c) Ensure that each manufactured article conforms to its approved design, is in a condition for safe operation, and meets the applicable TSO;

(d) Issue an airworthiness approval for each article or part produced under that TSO authorization that conforms to its approved design, is in a condition for safe operation, and meets the applicable TSO;

(e) Maintain complete and current design data for each article produced under the TSO authorization. The manufacturer must retain this data until it no longer manufactures the article. At that time, copies of the data must be sent to the FAA;

(f) Retain its TSO authorization and make it available to the FAA upon request; and

(g) Make available to the FAA information regarding all delegation of authority to suppliers.

§ 21.618 Approval for deviation.

(a) Each manufacturer who requests approval to deviate from any performance standard of a TSO must show that factors or design features providing an equivalent level of safety compensate for the standards from which a deviation is requested.

(b) The manufacturer must send requests for approval to deviate, together with all pertinent data, to the appropriate aircraft certification office. If the article is manufactured under the authority of a foreign country or jurisdiction, the manufacturer must send requests for approval to deviate, together with all pertinent data, through the civil aviation authority of that country or jurisdiction to the FAA.

§ 21.619 Design changes.

(a) *Minor changes by the manufacturer holding a TSO authorization.* The manufacturer of an article under an authorization issued under this part may make minor design changes (any change other than a major change) without further approval by the FAA. In this case, the changed article keeps the original model number (part numbers may be used to identify minor changes) and the manufacturer must forward to the appropriate aircraft certification office, any revised data that are necessary for compliance with § 21.603(b).

(b) *Major changes by the manufacturer holding a TSO authorization.* Any design change by the manufacturer extensive enough to require a substantially complete investigation to determine compliance with a TSO is a major change. Before making a major change, the manufacturer must assign a new type or model designation to the article and apply for an authorization under § 21.603.

(c) *Changes by persons other than the manufacturer.* No design change by any person (other than the manufacturer who provided the statement of conformance for the article) is eligible for approval under this part unless the person seeking the approval is a manufacturer and applies under § 21.603(a) for a separate TSO authorization. Persons other than a manufacturer may obtain approval for design changes under part 43 or under the applicable airworthiness regulations of this chapter.

§ 21.620 Changes in quality system.

After the issuance of a TSO authorization—

(a) Each change to the quality system is subject to review by the FAA; and

(b) The holder of the TSO authorization must immediately notify the FAA, in writing, of any change that may affect the inspection, conformity, or airworthiness of its article.

§ 21.621 Issue of letters of TSO design approval: Import articles.

(a) The FAA may issue a letter of TSO design approval for an article—

(1) Designed and manufactured in a foreign country or jurisdiction subject to the provisions of an agreement with the United States for the acceptance of these articles for export and import; and

(2) For import into the United States if—

(i) The State of Design certifies that the article has been examined, tested, and found to meet the applicable TSO or the applicable performance standards of the State of Design and any other performance standards the FAA may prescribe to provide a level of safety equivalent to that provided by the TSO; and

(ii) The manufacturer has provided to the FAA one copy of the technical data required in the applicable performance standard through its State of Design.

(b) The FAA issues the letter of TSO design approval that must list any deviation granted to the manufacturer under § 21.618.

PART 43—MAINTENANCE, PREVENTIVE MAINTENANCE, REBUILDING, AND ALTERATION

49. The authority citation for part 43 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40113, 44701, 44703, 44705, 44707, 44711, 44713, 44717, 44725.

50. Amend § 43.2(a)(2) by removing the reference to ''§ 21.305 of this chapter'' and adding in its place ''part 21 of this chapter.''

51. Revise § 43.3(j)(3) to read as follows:

§ 43.3 Persons authorized to perform maintenance, preventive maintenance, rebuilding, and alterations.

* * * * *

(j) A manufacturer may—

(1) * * *

(2) * * *

(3) Perform any inspection required by part 91 or part 125 of this chapter on aircraft it manufactured under a type certificate, or currently manufactures under a production certificate.

PART 45—IDENTIFICATION AND REGISTRATION MARKING

52. The authority citation for part 45 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40103, 40113–40114, 44101–44105, 44107–44111, 44504, 44701, 44708–44709, 44711–44713, 44725, 45302–45303, 46104, 46304, 46306, 47122.

PART 45—[NOMENCLATURE CHANGE]

53. Amend part 45 by removing the word ''Administrator'' and the words ''Administrator of the FAA'' and adding, in their place, the word ''FAA'' wherever they appear.

54. Amend part 45 by removing the word ''shall'' and adding, in its place, the word ''must'' wherever it appears

55. Revise § 45.1 to read as follows:

§ 45.1 Applicability′.

This part describes the requirements for—

(a) Identifying products, parts, appliances, and TSO articles manufactured under—

(1) A type certificate;

(2) A production approval as defined under part 21 of this chapter; and

(3) The provisions of an agreement between the United States and another country or jurisdiction for the acceptance of products, parts, appliances, and articles; and

(b) Nationality and registration marking of U.S. registered aircraft.

Subpart B—Identification of Products, Parts, Appliances, and TSO Articles

56. Revise the heading of subpart B to read as set forth above.

57. Amend subpart B by adding § 45.10 to read as follows:

§ 45.10 Identification.

No person may identify a product, part, appliance, or TSO article in accordance with this subpart unless—

(a) That person produced the product, part, appliance, or TSO article—

(1) Under part 21, subpart F, G, K, or O of this chapter; or

(2) For export to the United States under the provisions of an agreement between the United States and another country or jurisdiction for the acceptance of products, parts, appliances, and TSO articles; and

(b) That product, part, appliance, or TSO article conforms to its approved design, and is in a condition for safe operation; and, for a TSO article; that TSO article meets the applicable performance standards.

58. Revise § 45.11 to read as follows:

§ 45.11 Identification of products.

(a) *Aircraft.* A manufacturer of aircraft covered under § 21.182 of this chapter must identify each aircraft by a fireproof identification plate that—

(1) Must be marked with the information specified in § 45.13 using an approved method of fireproof marking;

(2) Must be secured in such a manner that it will not likely be defaced or removed during normal service, or lost or destroyed in an accident; and

(3) Except as provided in paragraphs (d) through (h) of this section, must be secured to the aircraft fuselage exterior so that it is legible to a person on the ground, and must be either adjacent to and aft of the rear-most entrance door or on the fuselage surface near the tail surfaces.

(b) *Aircraft engines.* A manufacturer of an aircraft engine or module of a modular engine configuration, as defined by the type design, produced under a type certificate or production certificate must identify each engine or module by a fireproof identification plate that—

(1) Must be marked with the information specified in § 45.13 using an approved method of fireproof marking;

(2) Must be affixed to the engine at an accessible location; and

(3) Must be secured in such a manner that it will not likely be defaced or removed during normal service, or lost or destroyed in an accident.

(c) *Propellers and propeller blades and hubs.* Each person who produces a propeller, propeller blade, or propeller hub under a type certificate or production certificate must identify each product or part using an approved fireproof method. This identification must—

(1) Be placed on a non-critical surface;

(2) Contain the information specified in § 45.13;

(3) Not likely be defaced or removed during normal service; and

(4) Not likely be lost or destroyed in an accident.

(d) *Manned free balloons.* A manufacturer of manned free balloons must identify each balloon by the identification plate required by paragraph (a) of this section. The plate must be secured to the balloon envelope and must be located, if practicable, where it is legible to the operator when the balloon is inflated. In addition, the basket and heater assembly must be permanently and legibly marked with the manufacturer's name, part number (or equivalent), and serial number (or equivalent).

(e) *Aircraft manufactured before March 7, 1988.* The owner or operator of an aircraft manufactured before March 7, 1988, must identify the aircraft by the identification plate required by paragraph (a) of this section. The plate must be secured at an accessible exterior or interior location near an entrance, if the model designation and builder's serial number are also displayed on the exterior of the aircraft fuselage. The model designation and builder's serial number must be—

(1) Legible to a person on the ground;

(2) Located either adjacent to and aft of the rear-most entrance door or on the fuselage near the tail surfaces; and

(3) Displayed in such a manner that they are not likely to be defaced or removed during normal service.

(f) For powered parachutes and weight-shift-control aircraft, the identification plate required by paragraph (a) of this section must be secured to the exterior of the aircraft fuselage so that it is legible to a person on the ground.

(g) The identification plate required by paragraph (a)(3) of this section may be secured to the aircraft at an accessible location near an entrance for—

(1) Aircraft produced for—

(i) Operations under part 121 of this chapter;

(ii) Commuter operations (as defined in § 119.3 of this chapter); or

(iii) Export.

(2) Aircraft operating under part 121 of this chapter and under an FAA-approved continuous airworthiness maintenance program; or

(3) Aircraft operating in commuter air carrier operations (as defined in § 119.3 of this chapter) under an FAA-approved continuous airworthiness maintenance program.

(h) *Gliders.* Paragraphs (a)(3) and (e) of this section do not apply to gliders registered or to be registered in the United States.

59. Amend § 45.13 as follows:

(a) Revise the heading to read as set forth below.

(b) Remove the words ''and (b)'' from paragraph (a) introductory text and add in their place the words ''through (c).''

(c) Remove the words ''of this part'' from paragraph (c).

§ 45.13 Product identification data.

* * * * *

§ 45.14 [Removed]

60. Remove § 45.14.

61. Revise § 45.15 to read as follows:

§ 45.15 Identification requirements for parts, appliances, and TSO articles.

(a) *Parts and appliances.* The manufacturer of a part or appliance must permanently and legibly mark each part or appliance and each component of each part or appliance with the following:

(1) The name, trademark, symbol of the production approval holder, or the FAA-issued production approval number; and

(2) Part number.

(b) *TSO articles.* The manufacturer of a TSO article must permanently and legibly mark—

(1) Each TSO article and each component of a TSO article according to the requirements of paragraph (a) of this section; and

(2) Each TSO article, unless otherwise specified in the applicable TSO, with the TSO number and letter of designation, all markings specifically required by the applicable TSO, and the serial number or the date of manufacture of the article or both.

(c) *Critical parts.* Each person who manufactures a part or component for which a replacement time, inspection interval, or related procedure is specified in the Airworthiness Limitations section of a manufacturer's maintenance manual or Instructions for Continued Airworthiness must permanently and legibly mark that part or component with a serial number (or equivalent) in addition to the other applicable requirements of this section.

(d) If the FAA finds a part or component is too small or otherwise impractical to mark with any of the information required by this part, the manufacturer must attach that information to the part or component or its container.

§ 45.16 [Amended]

62. Amend § 45.16 by removing the last sentence.

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John J. Hickey,

Director, Aircraft Certification Service.

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