

IATA has developed a template to serve as a legal agreement between two parties, typically an airline and a MRO, when an airline sub-contracts maintenance to a third party provider. The development and contents of the agreement are examined here.

IATA promotes master aircraft maintenance agreement (AMA)

A team at the International Air Transport Association (IATA) has been developing a template to be used between two parties, such as an airline or leasing company, and a maintenance repair & overhaul (MRO) organisation, when aircraft maintenance is sub-contracted for base or heavy maintenance events.

The document was displayed for a period of review with comments invited from the last quarter of 2013 until 1st January 2014. Chris Markou and Irina Khomenko at IATA in Montreal, who have been involved extensively in the development of the document, have indicated that the feedback from users has been very positive.

Referred to as the Master AMA (Aircraft Maintenance Agreement), the

document was officially released on 26th January 2014, and is now available for download and use on the IATA Paperless Aircraft Operations Web Page (<http://www.iata.org/whatwedo/ops-infra/Pages/paperless-ops.aspx>).

With this template, IATA continues a tradition of standardising conditions and bringing best practices to the industry in the area of operations. Previous templates include the IATA Standard Ground Handling Agreement (SGHA).

IATA was founded in 1945, and now has 240 members from 118 nations. Its main aim is to assist with inter-airline co-operation by developing global commercial standards upon which the air transport industry is built, to promote safe, reliable, secure and economical air services for the benefit of the world's

consumers.

The current template in use (IATA Document No 2014-01) is very much, to quote the IATA teams' words, a 'living' document at present, and is the first of its kind. The document was created further to requests from IATA members for such an agreement to assist in their operations.

It has been jointly prepared by IATA's Safety and Flight Operations Department, and by IATA's Legal Department over the last two and a half years, with input from airline members, maintenance providers and expert lawyers.

The Federal Aviation Administration (FAA) Advisory Circular (AC) 120-106 ('Scope and Recommended Content for Contractual Agreement between an Air Carrier and a Contract Maintenance Provider') and EASA Part M Appendix XI to AMC to M.A 708(c) ('Contracted Maintenance') have been used to create this IATA Master AMA. In the preparatory notes at the start of the Master AMA, the document describes itself as a reference template which is available on IATA's website in a downloadable format for use to assist members and non-members.

The current Master AMA is a detailed 62-page agreement, which is broken down into two main parts. The first part, forming the main body of the agreement, contains the contractual information: a detailed outline of the basic requirements



IATA's development of a master aircraft maintenance agreement (AMA) has the intention to provide the industry with standard maintenance agreements and contracts for use between airlines and third party maintenance providers.



of a maintenance event which, after a preamble, is broken down into 23 parts. This includes everything from the commercial requirements prior to input, to the MRO standard of requirements during the check including servicing, handling and repair of the aircraft and aircraft parts, to controlling of the financial details, check paperwork and warranties post-check.

A standardised maintenance contract agreement like this benefits both parties by: reducing the potential extensive legal fees around creating such a document; using common terminology for all parties; and saving time and resources.

What is important to note, and Chris Markou of IATA has stressed, is that this template is a common starting point for the two parties. Although the main body is a comprehensive coverage of an aircraft's input, contractual requirements, areas such as liability/indemnification insurance will need to be carefully negotiated between the parties involved to suit and manage the risks applicable to each party's internal policies and governing laws. Each of the 23 sections of the body of the document addressing specific contractual arrangements relies on individuals to assess the template and adapt it to their business standards and requirements. This is easily managed via the use of the Annex 1 to the document.

The second part of the Master AMA assists and supports a contracted maintenance visit, by containing the Annexes of documents to be modified to each customer's needs during a check. Annex 1, for example, is an 'Airframe

Maintenance Agreement' consisting of three parts.

Part I is a 'fill in the blanks' document, outlining key items such as customer and MRO details.

Part II details aircraft type details, check type information, turnaround time (TAT), and pricing details (including material and sub-contracting charges).

Part III includes further options for details in tooling, hangar pricing, plus the financial payment currency, payment schemes, warranty details and regulatory certificate approvals. It is used to outline and agree to/or exclude any part of the preceding main body of the Master AMA.

Annex 2 consists of 'workscope and package' attachment area. It is currently blank, but is for detailing the specific workscope to be undertaken during the contracted maintenance visit. This would include, for example, routine tasks (from the aircraft's approved maintenance programme, customer-specific tasks, airworthiness directives and service bulletins or engineering orders, and components that require attention or any other task.

Annex 3 contains two more 'fill in the blanks' type documents titled 'Delivery/Return Acceptance Certificates'. These outline aircraft specific details, such as serial numbers of engine and airframe, and flight hours and cycles. The crucial section of the document is for notifying MRO staff of any in-bound aircraft configuration non-conformity.

Many MROs request information from the flight crew/customer on aircraft

The IATA standard aircraft maintenance agreement (AMA) contains contractual information. This includes a basic outline of the basic requirements of a maintenance event, which is broken down into 23 parts. IATA's intention for this agreement is to reduce potential legal fees when creating such an agreement.

arrival in respect of any known inbound discrepancies or information worth noting. The Return Acceptance Certificate contains a similar format document for the return-to-service side of the check, with an identical field for information to the customer/flight crews prior to the aircraft test flight and return to service.

Annex 4 contains a standard "Certificate of Release to Service" to fill in, with the relevant details for the specific check undertaken to allow the official release of the aircraft post-maintenance. It is designed to clearly show complete and incomplete maintenance (withdrawn tasks), with a signatory box for the check sign-off.

Annex 5 contains a template titled 'List of Documentation' formatted for the customer to specify all aircraft maintenance documentation and revision details needed. These include aircraft maintenance manual information, wiring diagrams and exterior paint scheme details for the MRO to work to before aircraft delivery.

Annex 6, 'Notices and Communications' is to be filled in by both the customer and service provider, to provide departmental contact details.

Annex 7 is for 'Aircraft Daily Status', but is currently blank with a note to 'specify form'. Markou says that IATA may develop a template for the Daily Status upon request at a later time to attach to this Annex, but for now it is available as a free-format.

IATA intends to review this document periodically when modifications are deemed appropriate as use of the Master AMA increases and feedback is obtained. Khomenko notes that any changes will be discussed in the IATA working group and, if approved, will be incorporated into new revisions every two years or earlier if required.

IATA plans to develop more templates for Aircraft Maintenance contracts, and is currently working on a template for a Master Engine Maintenance Agreement (an Engine Shop Visit Agreement).

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