



International Civil Aviation Organization

**Third Meeting of the RASG-MID Steering Committee
(RSC/3)**

(Cairo, Egypt, 9 – 11 December 2014)

Agenda Item 6: Any other Business

THIRD PARTY MANUFACTURING OF AEROSPACE PRODUCTS

(Presented by United States)

SUMMARY

This Paper presents the harmonizing of minimum standards for multi-national partnerships in third party manufacturing.

Action by the meeting is at paragraph 3.

1. INTRODUCTION

1.1 Today's global aviation industry has multi-national partnerships that are not restricted by political boundaries nor do they consider the capability of any particular State to oversee its aviation-related products designed and/or manufactured in their State. It is the nature of the business to seek out efficiencies in production and take advantage of providers that might offer advantages not afforded by local manufacturing.

1.2 These multi-national partnerships sometimes have a different State of Design from the State of Manufacture. This can sometimes even lead to a third State providing manufacturing support to the delegated State of Manufacture, neither of which are the original State of Design.

1.3 There are inherent complexities and risks to material supply, quality, and compliance when businesses introduce external third party links to their design and production process flow. The use of a third party State of Manufacture can even lead to a loss of safety oversight that may be further complicated by the inability of that delegated State to oversee the aviation product manufactured there.

1.4 The potential for these risks and the consequence to product safety need to be assessed to determine the level of care that is appropriate to manage these risks. The accountable manufacturer, which is represented by the manufacturer with production responsibility granted by a regulatory authority, and the regulating authority make these decisions, often independently.

2. DISCUSSION

2.1 The holders of type approvals granted by the State of Design frequently produce their products using a separate State of Manufacture. In these cases, the State of Design delegates manufacturing rights to a third-party State by agreement. There are, however, many occasions where a third-party State of Manufacture will negotiate an agreement with yet another third-party or State for the manufacture of sub-elements to the main product. It is in this arrangement where the problem of oversight arises.

2.2 The primary, secondary or tertiary regulating authorities (referencing the States of regulatory responsibility), may not have sufficient resources to perform the required production and compliance oversight for any of the sub-tier manufacturing sources. Further, they may not even be aware of any production supply chain arrangements. Regardless of the complicated nature of these arrangements, the responsibility to maintain a system that ensures the manufacture of safe, compliant aviation products rests on the primary manufacturer and the State of Manufacture.

3. ACTION BY THE MEETING

3.1 The meeting is invited to:

- a) note the information contained in this Working Paper; and
- b) the United States will propose the following at the upcoming ICAO High Level Safety Conference:
 - i. ICAO Member States require manufacturers demonstrate effective implementation of safety oversight through all stages of manufacturing from the State of Manufacture through all levels of outsourcing. These oversight procedures must lead back to the original approved type design and ensure conformity to the approved product;
 - ii. ICAO Member States ensure their ability to oversee manufacturers producing aerospace products in their States. This requires Member States to have the resources as well as the legal, regulatory, and organizational infrastructure necessary to satisfy their fundamental safety oversight obligations; and
 - iii. ICAO establish a training and developmental safety oversight program for its Member States that ensures they have the minimum capability to guarantee oversight competencies. The program should be reviewed and accepted by Member States involved in the oversight chain.

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