



U.S. Department
of Transportation
**Federal Aviation
Administration**

M-494.6

Advisory Circular

Subject: SUPPLIER SURVEILLANCE PROCEDURES

Date: 7/22/82

AC No: 21-20

Initiated by: AWS-200

Change:

1. PURPOSE. This advisory circular (AC) is to set forth revised procedures concerning Federal Aviation Administration (FAA) surveillance of suppliers to U.S. holders of FAA production approvals, and advises as to optional procedures outside the provisions of bilateral airworthiness agreements pertaining to certification of foreign manufactured components.

2. INFORMATION.

a. Federal Aviation Regulations (FAR) Part 21, Subparts F, G, K, and O require the establishment of an inspection/quality control system as a prerequisite to issuance of an FAA production approval, and maintenance of such system after the approval has been issued. One of the criteria for approval of an inspection/quality control system is the establishment by the applicant of requirements and procedures for ensuring that parts and components produced by suppliers conform to the approved design data and are in condition for safe operation. In the past, the FAA policy for monitoring supplier activity has been to conduct regularly scheduled audits of selected domestic suppliers, and, in the case of foreign suppliers, allow the use of only those in countries with which the U.S. has bilateral airworthiness agreements, and only when each component produced has been issued a conformity certificate (export certificate) by the Foreign Civil Air Authority (FCAA).

b. The FAA has reassessed its past policy concerning supplier surveillance, in light of the need to reduce government operating costs, and problems experienced with the surveillance procedures with respect to foreign suppliers. Also considered was the ultimate responsibility of the production approval holder, for ensuring that each completed product, including supplier furnished articles, that leaves the holder's domestic production facility conforms to the approved design data and is in condition for safe operation. This responsibility is enforced without regard to where suppliers may be located, whether suppliers have been under FAA surveillance, or whether procured components have been certified under a bilateral airworthiness agreement.

c. It has been concluded that the safety objectives of the FAA will be met, without regularly scheduled audits of suppliers, by concentrating FAA resources at production approval holders' main domestic facilities, with emphasis on supplier controls and receiving inspection. The FAA will not, however, relinquish the authority or responsibility for reinspection of suppliers, either foreign or domestic, at anytime for cause, using either FAA inspectors or FAA designees. The use of FCAAs to certify components produced in countries with which the U.S. has bilateral airworthiness agreements will be

retained as an option, dependent upon individual circumstances. Additionally, this AC is not intended to influence or supersede in any manner the surveillance of suppliers in a foreign country by the FCAA of that country, as may be required under its own laws or regulations.

3. APPLICABILITY. The procedures outlined in this AC do not apply to:

a. Components for prototype products used in FAA type certification programs; and,

b. Components used in completed products submitted for airworthiness certification or approval after a type certificate (TC) or design approval has been issued but before production approval has been granted; e.g., aircraft submitted for airworthiness certificates after the TC for the aircraft has been issued but before the newly TC'd aircraft has been added to the Production Limitation Record for the Production Certificate. Such components would require conformity inspection or verification by the FAA or its representatives, including foreign civil air authorities, unless the applicant for the TC provides assurance to the FAA that completed products will not be presented to the FAA for airworthiness certification or approval until the production approval has been granted.

4. PROCEDURE.

a. The following supersedes information pertaining to supplier selection and eligibility currently in AC 21-1, Production Certificates; AC 21-303.1A, Certification Procedures for Products and Parts; and FAA Order 8120.2A, Production Approval and Surveillance Procedures. These documents will be amended to incorporate these procedures.

b. The holder of an FAA production approval issued under FAR Part 21, Subpart F, G, K, or O may use suppliers in any location, either domestic or foreign, for components covered by such approvals, provided that the following basic criteria have been met:

(1) The approval holder must establish and document in its quality control manual or other quality assurance policy material, the procedures under which suppliers are qualified, and the system that the approval holder has in place to ensure conformity and condition for safe operation of articles produced by suppliers. This system must be FAA approved and its implementation at a supplier facility is subject to audit by the FAA or its representative (ref. para. 2c) at any time;

(2) The approval holder may not use a supplier in a foreign country whose authorities would prohibit the entry into the country of FAA personnel or representatives, or inhibit in any manner a proposed audit by the FAA of an approval holder's system to oversee the performance of a supplier in that country. (Note: The FAA would not audit the quality control system of the foreign manufacturer - only the control system established by the U.S. approval holder. Further, the FCAA of the country in which the manufacturer is located would be either invited to participate in such audits, or, as mutually agreed upon when a bilateral agreement exists, conduct the audit and submit findings to the FAA for approval.)

(3) The system approved under 4b.(1) must include procedures whereby first articles are subjected to inspection and testing as required to verify that the articles conform to the type design and are in condition for safe operation. More than one article may require such inspection until the production consistency of the supplier is verified;

(4) The approval holder must make his domestic and foreign supplier lists available to the FAA upon request; and,

(5) The approval holder must maintain a current list of all new suppliers located in a foreign country for FAA review and must notify the FAA of the receipt of first articles produced by such suppliers. The FAA may witness the inspections required under subparagraph 4b.(3).

c. When a supplier is located in a country with which the U.S. has a bilateral airworthiness agreement, the approval holder has the option of either meeting the criteria in paragraph 4b, or using the bilateral agreement provisions for conformity certificates issued by the FCAA for each component. Notification of the intention to use bilateral agreement procedures should be made by the approval holder to the FAA office that has jurisdiction over the approval holder's domestic facilities. That FAA office will arrange for appropriate notification to the FCAA.

d. With the exception of the changes with respect to supplier eligibility and the cessation of scheduled audits, the procedures in Order 8120.2A concerning supplier surveillance, audit methods, handoff procedures, the need for surveillance or audit, etc., will still be applicable in the case of suppliers that have been selected for surveillance or audit.

e. Suppliers located in foreign countries may ship components directly to a user, without the components first being processed through the U.S. approval holder's domestic facilities, only if the U.S. approval holder:

(1) authorizes such shipment in writing, accepting full responsibility for the conformity to FAA approved design data and condition for safe operation of the components so shipped;

(2) advises the FAA office that has jurisdiction over the production approval holder's domestic facilities of each authorization; and,

(3) ensures that each component so shipped is accompanied by a shipping ticket, invoice, or other document containing a declaration that the individual component was produced under the terms of the production approval.



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U.S. Department
of Transportation

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