



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

Advisory Circular

Obsolete

Subject: **SUPPLIER SURVEILLANCE
PROCEDURES**

Date: 7/25/94
Initiated by: AIR-200

AC No: 21-20A
Change:

1. PURPOSE. This advisory circular (AC) clarifies and revises methods acceptable to the Administrator for surveillance of suppliers by a Federal Aviation Administration (FAA) production approval holder (PAH). Included are direct shipment procedures applicable to PAH supplier facilities located in the United States and certain other countries. When regulatory requirements are addressed in this AC the words "shall" and "must" are used, and apply to this AC only. This AC provides an acceptable means, but not the only means, of compliance with the applicable Federal Aviation Regulations.

2. CANCELLATION. AC 21-20 is canceled by this revision.

3. RELATED FEDERAL AVIATION REGULATIONS, ORDERS, AND ADVISORY CIRCULARS.

a. 14 CFR part 21, Certification Procedures for Products and Parts.

b. FAA Order 1240.9, International Aviation Programs.

c. FAA Order 8120.2, Production Approval and Surveillance Procedures.

d. AC 21-1, Production Certificates.

e. AC 21-18, Bilateral Airworthiness Agreements.

f. AC 21-23, Airworthiness Certification of Civil Aircraft, Engines, Propellers, and Related Products Imported to the United States.

g. AC 21-24, Extending a Production Certificate to a Facility Located in a Bilateral Airworthiness Agreement Country.

h. AC 21-303.1, Certification Procedures for Products and Parts.

4. INFORMATION.

a. 14 CFR part 21, Certification Procedures for Products and Parts, requires applicants to establish a quality control or inspection system as a prerequisite to the issuance of an FAA production approval and to maintain that system after the approval has been issued. The regulations require the PAH's quality control or inspection system to provide a means to determine that supplier-produced components (e.g., materials, parts, and subassemblies) conform to FAA-approved design data and are in condition for safe operation.

b. The FAA conducts surveillance not only at the PAH's facility, but also at suppliers to PAH's as part of the FAA's certificate management responsibilities. If a supplier is located in a country with which the United States has a Bilateral Airworthiness Agreement (BAA), the FAA has the option to rely on surveillance and certifications performed on its behalf by the Civil Aviation Authority (CAA) of that country.

c. Surveillance and conformity certificates from a CAA do not alleviate or eliminate the PAH's responsibility for conducting surveillance and maintaining supplier control.

5. APPLICABILITY.

a. Components of prototype products used in FAA type certification programs, for which the FAA has requested conformity inspection, are not covered by the guidance outlined in this AC.

b. The guidance outlined in this AC applies to products and parts thereof submitted for airworthiness certification or approval after a design approval (e.g., Type Certificate) and a production approval have been granted.

6. PROCEDURE.

a. The following paragraphs supplement information pertaining to supplier control, selection, and eligibility currently contained in AC 21-1, Production Certificates, and AC 21-303.1, Certification Procedures for Products and Parts.

b. A PAH may use suppliers located in either the United States or in other countries. The PAH should observe the following procedures:

(1) The PAH shall have established and documented in its FAA-approved quality control manual or other FAA-approved procedures the method by which suppliers, including sub-tier suppliers, are qualified, controlled, and monitored. These procedures should also describe the quality control or inspection system the PAH has in place to ensure conformity to FAA-approved design data and condition for safe operation of parts produced by suppliers. The quality control or inspection system and its

implementation at a supplier facility are subject to evaluation by the FAA at any time.

(2) The PAH shall not use a supplier located in a country whose authorities would prohibit the entry of FAA personnel or its representatives into the country or inhibit in any manner a proposed FAA evaluation of the supplier.

NOTE: The FAA will only evaluate the quality control or inspection system established by the PAH. When a BAA exists, the CAA of the country in which the supplier is located may be requested by the FAA either to participate in such evaluations or conduct them as mutually agreed upon by the FAA and the CAA. In either case, the CAA would submit all findings or observations to the FAA for review and disposition.

(3) The quality control or inspection system referenced in paragraph 6.b.(1) of this AC should include procedures whereby the first production-run parts are subjected to inspection and testing, as necessary, to verify that the parts conform to FAA approved design data and are in condition for safe operation. The procedures should also provide for the PAH to plan and conduct on-site quality control or inspection system and product evaluations of the supplier, including sub-tier suppliers. The evaluations, conducted at established intervals, should include all parts.

(4) The PAH should develop and maintain a current list of approved suppliers, their physical location, and what parts and/or services are being provided for FAA review. Notify the FAA of the receipt of first articles produced by the suppliers.

(5) The design data, test requirements, and quality control or inspection system procedures imposed on the supplier by the PAH should be available in the English language for approval or evaluation by FAA personnel.

c. When a PAH intends to use a supplier in a non-BAA country, the cognizant FAA office having certificate management responsibility should be contacted for appropriate guidance. There are two acceptable methods for a PAH to utilize the services of a supplier from a non-BAA country.

(1) Inspection upon receipt. The part being purchased is completely inspectable upon receipt at the PAH's facility located in the United States. This may include periodic verification of material and processes.

(2) Under specific procedures acceptable to the FAA. The PAH may use a supplier from a non-BAA country when it has established and documented in its quality control or inspection system the procedures that specifically identify how suppliers from a non-BAA country are qualified, approved, and controlled. The system established must ensure conformity and condition for

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safe operation of all parts and/or services provided by the suppliers. This system would be approved by the FAA only after a determination has been made that no undue burden (e.g. insufficient resources) would be placed on the United States in administering the applicable requirements of the Federal Aviation Act of 1958 or of the Federal Aviation Regulations. Implementation at a supplier facility is subject to evaluation by the FAA.

d. The PAH may authorize suppliers to direct ship parts to a user (e.g., air carrier, commercial operator, repair station, or designated alteration station) if the PAH has established a system for the approval and release of supplier-produced parts. This may include supplier facilities located in BAA countries. Without a BAA, there are no reciprocal agreements with a country for the U.S. acceptance of imported products or parts. This situation creates a possible undue burden for the FAA in administering applicable airworthiness requirements abroad. Therefore, in most cases, the FAA would not allow direct shipment from a non-BAA country.


e. Prior to authorizing direct shipment by a supplier the PAH should observe the following procedures:

(1) Document authorization of all direct shipments, accepting full responsibility for conformity to FAA-approved design data and condition for safe operation of the parts shipped under the authorization.

(2) Ensure that each part shipped is accompanied by a shipping ticket, invoice, or other document containing a declaration that the individual part was produced under the production approval and is authorized for direct shipment.

(3) For each direct shipment authorization notify the cognizant FAA office having certificate management responsibility. This notification does not mean that the FAA should be notified each time a supplier makes a direct shipment. The FAA need only be advised of each supplier that has direct ship authority and the parts they will ship.

NOTE: 14 CFR part 21, subpart L, Export Airworthiness Approvals, does not permit the issuance of export approvals for new engines, propellers, and Class II or Class III products that are not located in the United States.


MICHAEL GALLAGHER
Acting Director, Aircraft
Certification Service



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