Lessors / Financiers & PMAs

Issues, Concerns & Potential Strategies

Nadim Fattaleh
Jet Parts Engineering

Gorham 2015

Agenda

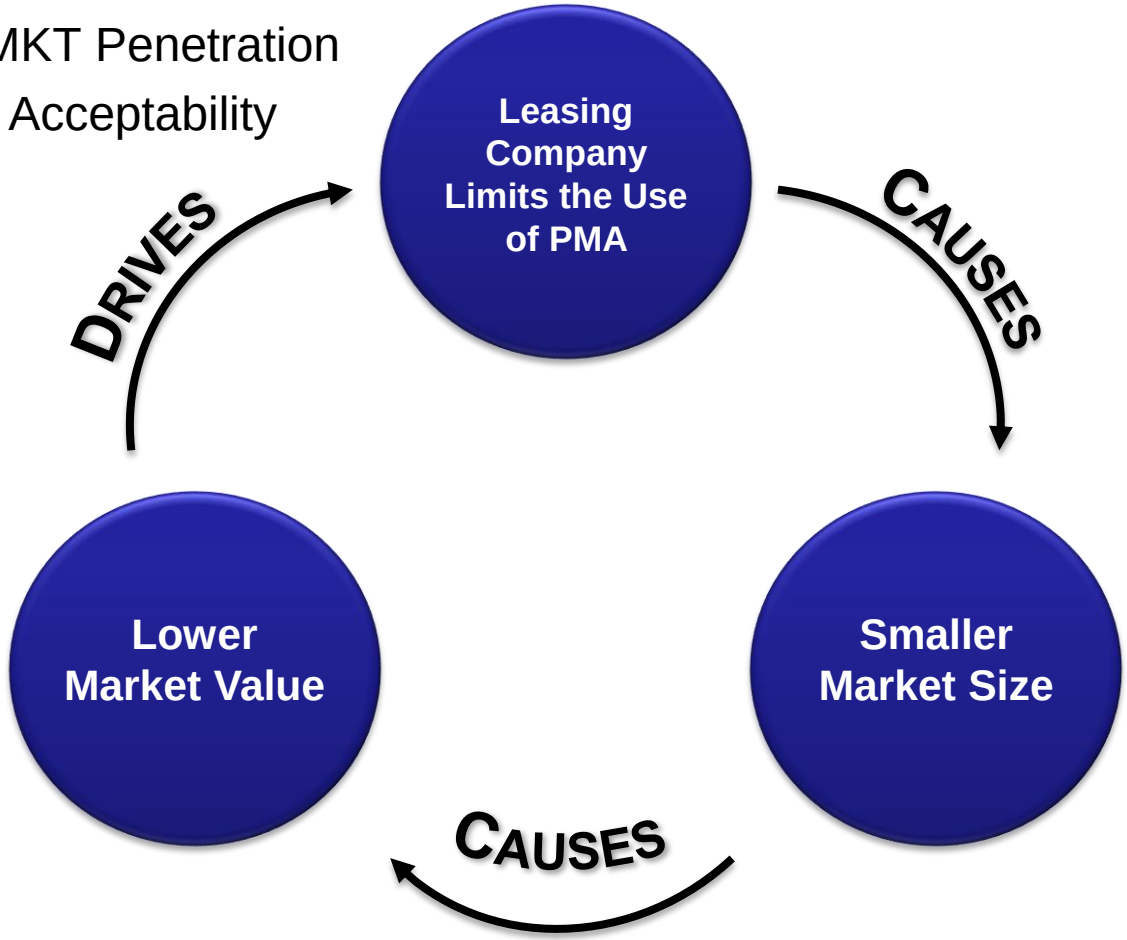
- Identification
- Analysis
- Potential Strategies

The Issues

- Investors
  - Residual Value Preservation
    - During Aircraft Remarketing
      - During Tenor (Repossession)
      - At End Of Tenor
      - At Asset / Portfolio Sale
    - For
      - Lease Managers And Debt Providers
      - Residual Value Risk Holders

Investment

- Depends on MKT Penetration
- Penetration = Acceptability



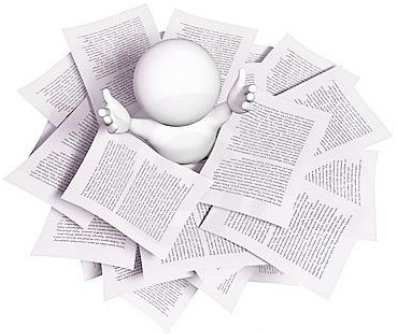
Incentive to break the cycle

The Issues

- Investors
  - Residual Value Preservation
    - During Aircraft Remarketing
      - During Tenor (Repossession)
      - At End Of Tenor
      - At Asset / Portfolio Sale
    - For
      - Lease Managers And Debt Providers
      - Residual Value Risk Holders
- Technical Managers
  - OEM Support During
    - Purchase
    - Sale
    - Transition

Technical Management

- Time Pressure
  - Immediate Responsiveness
  - OEM Product Support Engineering Organizations
- Document Review And Research
  - Tech Pubs Support
  - As Delivered Configuration
  - Warranty & Compliance Interpretations & Support
- Meeting Return Conditions
  - Material Support
- A/C Buyer (Lessor) Contractually Gets OEM Support Through PA



Issues - Contractual

“PMA Use Not Allowed”

RGL Home

Parts Manufacturer Approval

Parts Manufacturer Approval Information

Supplement Number:
3

Supplement Date:
04/18/2013

This approval issued to:
Jet Parts Engineering, Inc. (JPE)

PMA Holder Number:
PQ2060NM

PMA Holder's Address:
4772 Ohio Avenue South
Seattle WA 98134
United States

Part Name:
Seal Ring

Part Number:
3178234JP-1

Replacement For:
3178234-1

Make/Model:
Boeing (777-200 Series, 777-300 Series)

FAA Approval Basis:
Test & Computation per 14 CFR § 21.303 DWG No 3178234JP-1
Rev New ~~V3 Date 12/6/11 or later~~ FAA-approved revisions

Responsible Office:
Seattle WA FAA Office Tel: (425) 227-2170

Additional Information:

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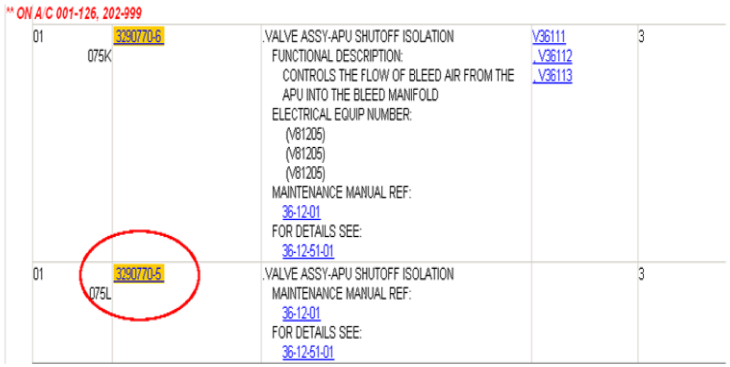
Issues - Contractual

“PMA Use Not Allowed”

777

AIRCRAFT ILLUSTRATED PARTS CATALOG

AIPC



** ON A/C 001-126, 202-999

01 075K	3290770-6	.VALVE ASSY-APU SHUTOFF ISOLATION FUNCTIONAL DESCRIPTION: CONTROLS THE FLOW OF BLEED AIR FROM THE APU INTO THE BLEED MANIFOLD ELECTRICAL EQUIP NUMBER: (V81205) (V81205) (V81205) MAINTENANCE MANUAL REF: 36-12-01 FOR DETAILS SEE: 36-12-51-01	V36111 .V36112 .V36113	3
01 075L	3290770-5	.VALVE ASSY-APU SHUTOFF ISOLATION MAINTENANCE MANUAL REF: 36-12-01 FOR DETAILS SEE: 36-12-51-01		3

Issues - Contractual

“PMA Use Not Allowed”

RGL Home

Parts Manufacturer Approval

Parts Manufacturer Approval Information

Supplement Number:
256

Supplement Date:
03/04/2003

This approval issued to:
Honeywell International Inc

PMA Holder Number:

PMA Holder's Address:
1300 W Warner Road
Tempe AZ 85284-1896
United States

Part Name:
Isolation Valve

Part Number:
3290770-5

Replacement For:
S210W110-1025

Make/Model:
Boeing (777-200 Series, 777-300 Series)

FAA Approval Basis:
Identicality per 14 CFR § 21.303, licensing agreement

Responsible Office:
Phoenix AZ FAA Office Tel: (602) 640-2101

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Issues - Contractual

“PMA Use Not Allowed”

RGL Home

Parts Manufacturer Approval

Parts Manufacturer Approval Information

Supplement Number: 3
Supplement Date: 04/18/2013

This approval issued to: Jet Parts Engineering, Inc. (JPE)
PMA Holder Number: PQ2060NM

PMA Holder's Address:
4772 Ohio Avenue South
Seattle WA 98134
United States

Part Name: Seal Ring
Part Number: 3178234JP-1
Replacement For: 3178234-1

Make/Model:
Boeing (777-200 Series, 777-300 Series)

FAA Approval Basis:
Test & Computation per 14 CFR § 21.303, DWG No 3178234JP-1
Rev New V3 Date 12/6/11 or later FAA-approved revisions

Responsible Office:
Seattle WA FAA Office Tel: (425) 227-2170

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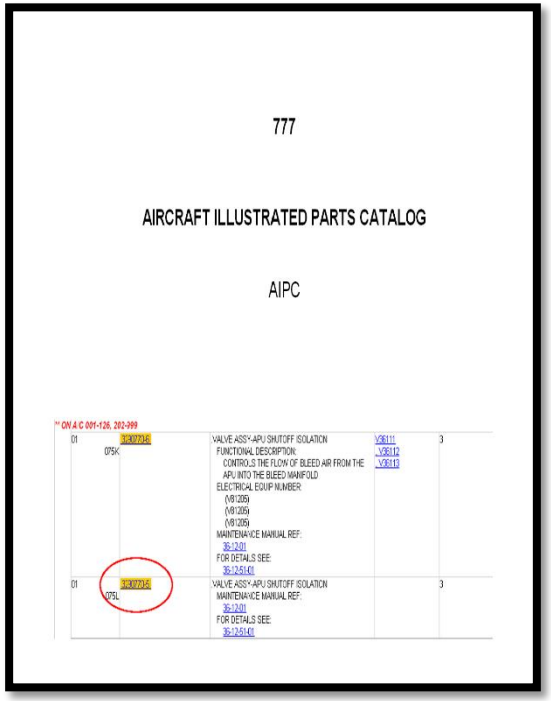

777

AIRCRAFT ILLUSTRATED PARTS CATALOG

AIPC

RGL Home

Parts Manufacturer Approval

Parts Manufacturer Approval Information

Supplement Number: 256
Supplement Date: 03/04/2003

This approval issued to: Honeywell International Inc
PMA Holder Number:

PMA Holder's Address:
1300 W Warner Road
Tempe AZ 85284-1896
United States

Part Name: Isolation Valve
Part Number: 3290770-5
Replacement For: S210W110-1025

Make/Model:
Boeing (777-200 Series, 777-300 Series)

FAA Approval Basis:
Identicality per 14 CFR § 21.303, licensing agreement

Responsible Office:
Phoenix AZ FAA Office Tel: (602) 640-2101

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Test and Comp vs Licensing PMA

JET PARTS ENGINEERING INC

Issues – Contractual

- <u>"Quiet Enjoyment" Of A/C With Following Stipulation:</u>
  - Lessee, at its Own Cost and Expense, Will

    ….Replace … Parts

    …Must Be Free and Clear of All Liens

    …….And Shall Have a **"Value"** and **"Utility"** At Least Equal To, the **"Parts Replaced"**…….
- <u>Utility – No Issues!!!</u>
  - Or "Critically Influencing Parts"
- <u>Value:</u>
  - I Only Understand $$$$$ So
  - Value = Price

Value??

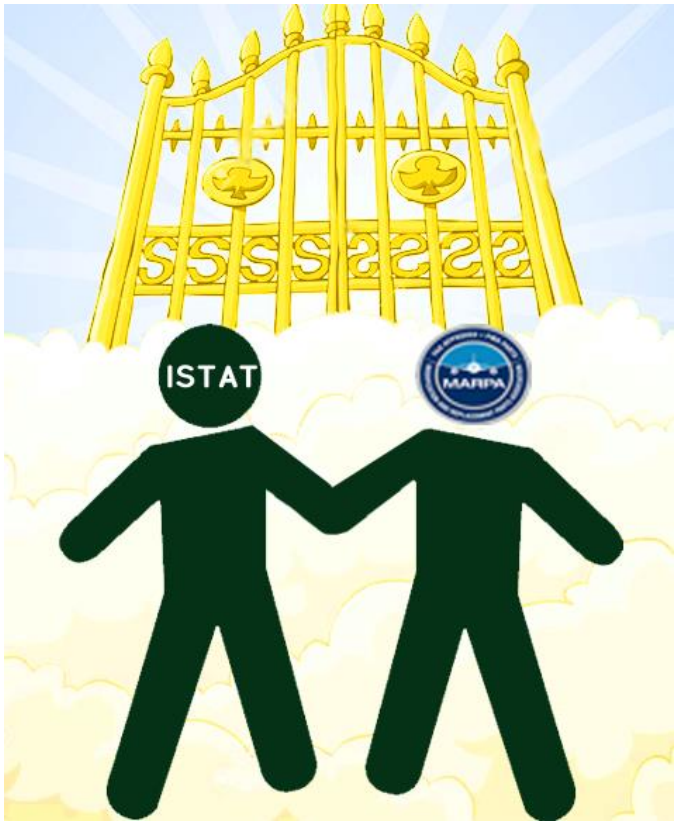
- Does Value = Price?
- Is it the P/N Price of Today Vs the Price of Time of Manufacture / Installation?
- What is Your Opinion of Value?
  - Airplane = An Assembly of Parts???
- Value = Parts on the Shelf?
  - I'm Not in the Maintenance Business!!!

Discussion Points

- What's in it For Lessors / Financiers?
  - Status-quo is Fine
  - What's the Value in My Customer's Cash-flow?
  - What's the Value for Me in Allowing PMA?
  - Maintenance Cost Savings Sharing?
  - Who Can Replace the OEM Support When I Need it?
  - Warranty?

Trade Organizations

- MARPA
- International Society of Transport Aircraft Trading (ISTAT)



Thank You

Nadim Fattaleh
Jet Parts Engineering

Gorham 2015