



# Strategies for partnership: How to partner with a US company in order to take advantage of US legal relationships

*Jason Dickstein*

*MARPA*



# Who is Jason Dickstein

## Aviation Attorney

- Obadal & MacLeod - 1992-1997
  - Law firm representing repair stations, manufactures and airlines
- Aviation Suppliers Association (General Counsel) - 1997-1999
- Washington Aviation Group – 1999-present
  - Law Firm
  - Founded MARPA in 1999
  - MARPA President since 2007





# What is MARPA?

- **Modification and Replacement Parts Association**

- Membership-based organization

- Established in 1999 to represent the PMA industry
- Non-profit trade association

- Works with government agencies (like FAA and EASA) on aircraft parts manufacturing issues, e.g.:

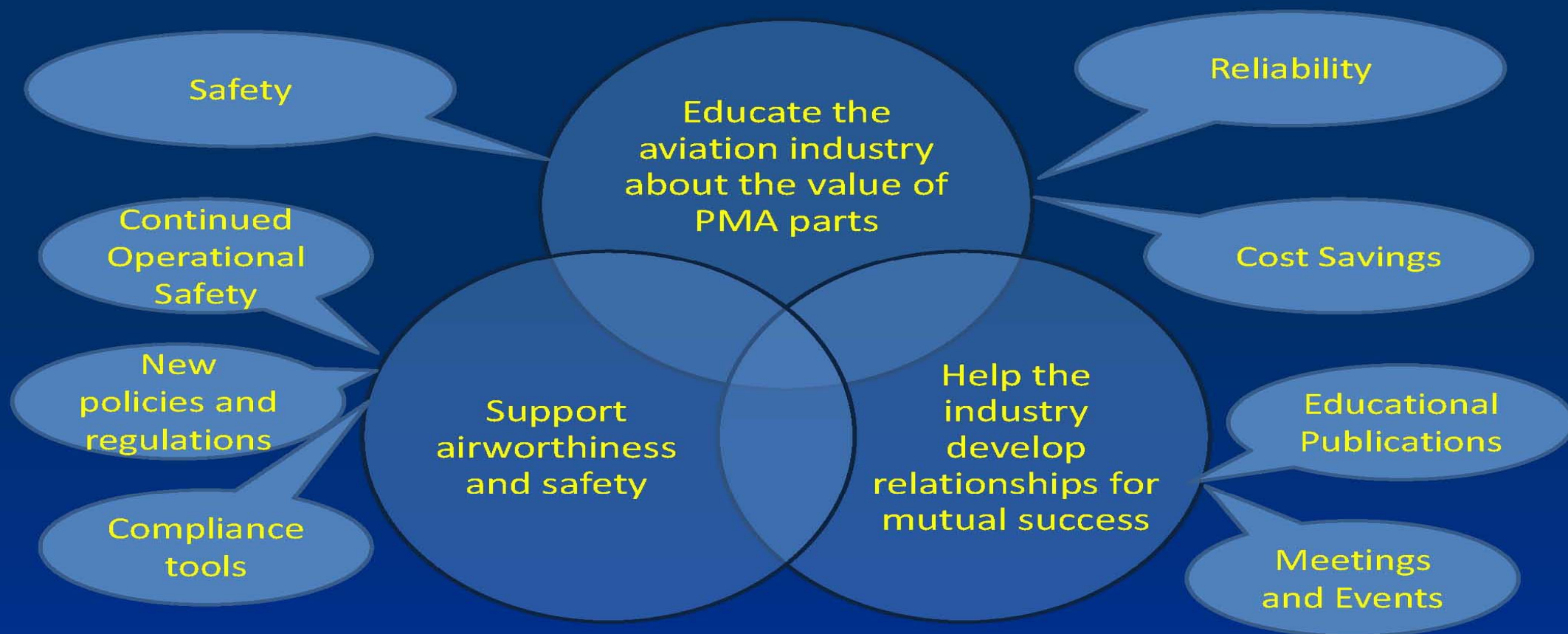
- Continued Operational Safety
- Safety Management Systems
- Streamlined approval of Non-Safety Sensitive (NSS) parts



Original MARPA Board, Inaugural Meeting, 1999



# What MARPA Does for Industry





# Let's Look at the FAA BASA Situation

- Argentina
- Australia
- Brazil
- Canada
- China
- European Union
- Iceland
- India
- Indonesia
- Israel
- Japan
- Korea
- Malaysia
- Mexico
- New Zealand
- Norway
- Russia
- Singapore
- South Africa
- Switzerland



# The FAA BASA Situation

- Argentina
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  - Malaysia
  - Mexico
  - New Zealand
  - Norway
  - Russia
  - Singapore
  - South Africa
  - Switzerland
  - Austria
  - Belgium
  - Bulgaria
  - Cyprus
  - Czech Republic
  - Denmark
  - Estonia
  - Finland
  - France
  - Germany
  - Greece
  - Hungary
  - Ireland
  - Italy
  - Latvia
  - Lithuania
  - Luxembourg
  - Malta
  - Netherlands
  - Poland
  - Portugal
  - Romania
  - Slovakia
  - Slovenia
  - Spain
  - Sweden
  - United Kingdom
- The European Union
-



# What about Japan?

- Japan has a reputation for quality
- But it does not have a network of BASAs to ensure acceptance of its replacement and modification aerospace articles
- The network of BASAs gives the US an advantage when companies are seeking to sell aircraft and aircraft parts in the international marketplace



# Hypothetical Situation

- You want to start making aircraft parts for an existing aircraft
- You want to sell them as replacement parts
- You want to be able to sell worldwide
- How do you do it?





# One Strategy for Global Aircraft Parts Sales

- Partner with an FAA production approval holder (PAH) like a PMA holder
- MARKET:
  - The production approval holder's market
- ADVANTAGE:
  - No need to develop your own marketing or distribution network; great way to begin expanding into the global civil aviation market

# Partner with an Existing US PMA Company



# Partner with an Existing US PMA Company



Corporate Structure – *there are many options:*

- You can work through the existing structure of your US-PMA partner
- You can set up a joint venture that is owned by both partners (actual ownership split may depend on many factors)
- You can establish your own production facility and partner on other factors, like design approval and/or distribution

# Partner with an Existing US PMA Company



## Design Approval

- Work with the US partner to develop a data package that will be acceptable to the FAA
  - Rely on the US partner's expertise to craft an appropriate application package
  - Must decide how the data will be owned/controlled/licensed
- In all cases, developing a relationship that allows you to work closely with the FAA will help to ensure that the design approval process is smooth and predictable

# Partner with an Existing US PMA Company



## Production Approval

- Establish 'production' at the PMA partner's facilities
  - The PMA partner already has an FAA-approved production quality system
  - You may supply some or all of the components to the US partner
    - These may be subject to production quality system inspection at the US partner's facility
    - The supply agreement should be tied to the rest of the deal to protect your interests
  - The PMA partner performs final assembly/inspection
  - Must decide how costs, revenues and/or profits will be split
- Or create a separate entity that is jointly owned
  - You should still rely on the PMA partner's expertise
- Or create your own production facility and partner with PMA company on other elements of the transaction



# Partner with an Existing US PMA Company

- Who owns the PMA?
  - Your company, if you have a US physical location at which production is accomplished
  - Your PMA partner
  - Your joint venture
- Intellectual property ownership could be different than PMA ownership
- If you own the data, then you may wish to consider licensing the data to your partner or joint venture
  - Helps to maintain your control and ownership of the data
  - Helps to control future derivatives
  - Or you might want to use the value of the intellectual property as part of the investment basis in a joint venture







# Selecting a PMA Partner

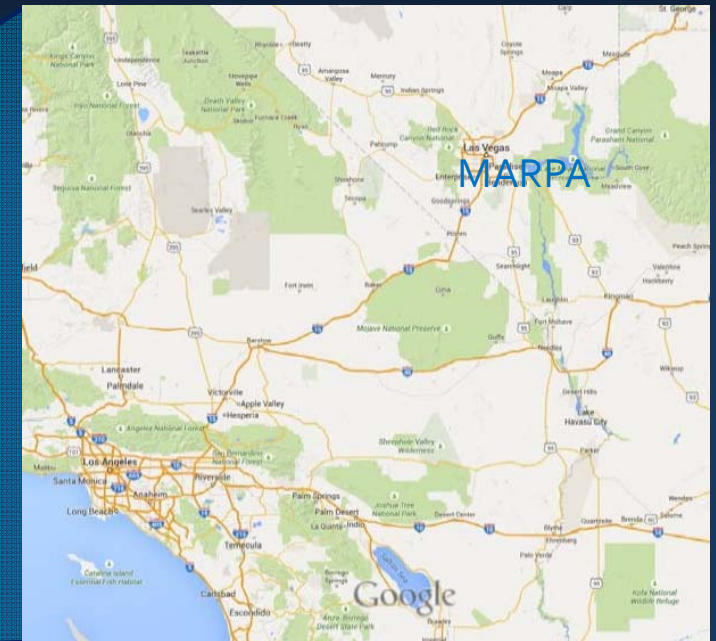
- Look for
  - A partner with the right expertise
    - Make sure the partner offers the expertise that adds value to YOU
    - The best engineering team in the world doesn't add much to the partnership if your engineering team has already developed compliant designs
    - If you have great manufacturing facilities but you are weak on something like design engineering, then look for a partner who can provide the complimentary skills that your company lacks
    - FAA connections and experience with the FAA approval process can be VERY valuable
  - A partner with a complimentary line of products
    - If you want to produce components for a Boeing 737-900 landing gear, then look for someone who already sells other 737-900 landing gear parts – but make sure they don't already make the part(s) you want to make, *unless you can do it better*
  - A partner willing to market your article
    - Does the partner bring customers with whom you don't yet have relationships?



# How do You Meet PMA Company Representatives?



- Consider attending international industry events
  - MARPA Annual Conference
    - Educational conference focused on topics important to PMA manufacturers



# How Do You Meet PMA Company Representatives?



- MARPA Annual Conference, October 28-29, 2015 in Las Vegas, NV, USA
  - Keynote One: David Garrison, V.P. – Engineering, Quality and Planning, Delta TechOps
  - Keynote Two: Eric Mendelson, President, HEICO
  - Featured presentation on PMA reliability metrics from Delta's Michael Rennick
- MARPA Annual Conference, October 2016 in Orlando, FL, USA
  - The Conference will feature a full day of workshops designed to immerse you in subjects important to both manufacturers and PMA users
  - You can also meet potential clients, like MROs and air carriers, at these events
  - You can speak with US Government representatives, as well



# Conclusion

- Partnering with US companies offers opportunities to reach additional markets and expand your businesses
- FAA-PMAs are respected and accepted throughout the world because of their safety record and their reliability
- Using the US PMA rules, and the US BASAs can help you leverage your business opportunities

# Questions?





# Thank You

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