

Circular No. 2-002

Policy for onsite inspection to a Supplier under Approved Production Organization

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Airworthiness Division, Aviation Safety and Security Department,
Civil Aviation Bureau
Ministry of Land, Infrastructure, Transport and Tourism

1. Purpose

As for onsite inspection to an Approved Organization pursuant to the Paragraph 2 of Article 134 of Civil Aviation Law (CAL), the suppliers thereof are also subject to onsite inspections as provided in Section 6-5, Paragraph (1) of Circular No.2-001, "General Policy for Approved Organizations". This Circular provides basic policies for onsite inspection to the suppliers of Approved Production Organizations.

2. Definition

In this circular:

(1) "Approved Production Organization" is an organization authorized pursuant to Article 20 of the CAL with respect to the capabilities to manufacture aircraft and inspect the completed aircraft or capabilities to manufacture components and inspect completed components.

(2) "Supplier" is a party (the party described as a supplier in AOE of a Approved Production Organization) that provides services such as machine works, welding processes, sheet metal processes, and galvanization processes, or delivers a work piece, such as equipment and component related to an approved products, to the Approved Production Organization.

(3) "Onsite inspection to Suppliers" is an onsite inspection which the Civil Aviation Bureau conducts to the supplier in accordance with the Paragraph 2 of Article 134 of CAL. The onsite inspection to supplier is conducted as a part of the inspection for the quality control system of the Approved Production Organization.

3. Content of onsite inspection

Onsite inspection to the supplier is classified into the following two categories according to the objectives.

(1) Onsite inspection for Quality Control

The objectives of the Onsite inspection for Quality Control are to inspect whether the supplier conforms to the quality control system required by the Approved Production Organization. And the onsite inspection for Quality Control is conducted based on items manufactured by the Approved Production Organization. Specifically, the inspection is conducted regarding the organization, the inspection system, the personnel qualification system, the document control system and so forth (the quality control requirements may differ depending on consigned items.) to confirm whether the quality control system of the Supplier satisfies the quality control requirements (which may be incorporated in a Purchase Order, Specifications etc.) required by the Approved Production Organization at the time of

ordering. When conducting the inspection, a sampling inspection method may be used with regard to a specific work piece, process and so forth.

(2) Onsite inspection for Manufacturing Capabilities

The objectives of Onsite inspection for Manufacturing Capabilities are to inspect whether products or processed work pieces of the Supplier conform to the design data specified by the Approved Production Organization. The Onsite inspection is conducted in conjunction with Onsite inspection for Quality Control as necessary when doubts arise on manufacturing capabilities of the supplier or other reason arises. Specifically, the inspection is conducted on whether work pieces manufactured or processed by the supplier conform to the design data described in design drawings, work instructions and so forth by confirming a general external appearance, dimensions, functions, markings or processed work pieces of the supplier. Further, such inspections are conducted on whether appropriate apparatus or equipment are used at manufacturing and processing and measurement equipments are appropriately calibrated. The inspection is basically conducted by witnessing the completion test performed by the supplier and by confirming the test results. However, the inspections by confirming documents such as inspection records may be allowed. When conducting the inspection, a sampling inspection method may be used with regard to a specific work piece, process and so forth.

4. Responsible Airworthiness Engineer Office for onsite inspection

(1) Planning of Onsite inspection

The Airworthiness Engineer Office having jurisdiction over the Approved Production Organization should plan the onsite inspection.

(2) Performance of onsite inspection

The Airworthiness Engineer office having jurisdiction over the Approved Production Organization should conduct the onsite inspection on the supplier, in principle. However, regarding onsite inspections to a domestic supplier, the Airworthiness Engineer office that has jurisdiction over the site of the said supplier may conduct onsite inspections by means of a request from and arrangement with the Airworthiness Engineer office that has jurisdiction over the Approved Production Organization. Further, regarding onsite inspections to a foreign supplier, such inspections should be conducted in cooperation with the Airworthiness Division of the Ministry of Land, Infrastructure, Transport and Tourism (Headquarters).

5. Selection of suppliers to be inspected

(1) Onsite inspection for Quality Control

(a) The number of supplier for which Onsite inspection for Quality Control are conducted should be as the following table. However, the number of onsite inspection may be increased or decreased based on the level of effect on airworthiness in cases where a work piece of the Approved Production Organization happens to fail, the volume of shipment thereof and other rationales. Further, a special inspection may be conducted based on a defect in a work piece of the Approved Production Organization, an unsafe event thereof, and other rationales.

Classification of Approved Production Organization	The number of supplier where an onsite inspection should be conducted.
Manufacturer of Transport category airplanes	At least 3 per year
Manufacturer of aircraft other than Transport category airplanes	At least 2 per year
Manufacture of Engines or Propellers	At least 2 per year
Manufacturer of critical components under Article 27 of the Ordinance for Enforcement of the Civil Aeronautics Act	At least 1 per year
Manufacturer of Equipment, Components, Parts etc. other than Engines, Propellers, and Critical Components	In principle, onsite inspection is not conducted to any supplier. However, onsite inspection to the supplier may be conducted, based on the level of effect on airworthiness in cases where a work piece of the Approved Production Organization happen to fail, the volume of shipment thereof, past unsafe event and other rationales.

Note: If the Approved Production Organization has been authorized to manufacture multiple products and multiple classifications on the above table are applicable, the largest number of suppliers should be applied.

(Example)

If an Approved Production Organization has been authorized to manufacture the following products:

- Transport Category Airplanes,
- Rotorcrafts, and
- Engines,

the Approved Production Organization is deemed to be belonged to the Manufacturer of Transport Category Airplanes. Therefore, onsite inspection should be conducted 3 suppliers under the Approved Production Organization.

(b) The supplier for which onsite inspection is conducted will be selected in consideration of the level of effect on the airworthiness in cases where manufactured equipments and components happen to fail, a specialty of processing, current shipment conditions, previous quality conditions, the past onsite inspection history (These information will be obtained by the Approved Production Organization, as necessary), and so forth. However, if the supplier is authorized as Approved Production Organization and has been authorized to manufacture the consigned product, or if the supplier has Type Certificate, Supplemental Type Certificate, Type Approval, Specification Approval, any other Certificate related to a foreign design or production approval(e.g. Production Certificate, PMA,TSO etc.) and has been authorized to manufacture the product, or if the supplier is located outside of Japan and Bilateral Agreement or Arrangement in which a foreign authority takes responsibility to ensure the quality of the supplier has been concluded between the foreign authority and Civil Aviation Bureau of Japan, such supplier will not be selected as the candidate for the onsite inspection.

(2) Onsite inspection for Manufacturing Capabilities

Onsite inspection for Manufacturing Capabilities should be conducted in conjunction with Onsite inspection for Quality Control if responsible Airworthiness Engineer office determines it's necessary. (e.g. the case where the unsafe event in Approved Production Organization is caused by products manufactured by supplier, the case where there are doubts about the capability of the supplier, etc.)

6. Notification of onsite inspection

An responsible Airworthiness Engineer Office should notify the Approved Production Organization and its supplier of a plan to conduct onsite inspection to the supplier no later than 50 days before the inspection (excluding cases where an urgent onsite inspection is

required.)

7. Performance of onsite inspection

(1) Onsite inspection to the supplier should be conducted, in principle, in the presence of the responsible persons of Approved Production Organization which manages the supplier.

The responsible Airworthiness Engineer Office should request the Approved Production Organization to attend the onsite inspection at the notification of the inspection or appropriate time.

(2) In cases of onsite inspection for Quality Control, a responsible Airworthiness Engineer Office should obtain the quality control requirements (e.g. Purchase Order, Specifications etc.) , standard for the quality control etc., which are applied to the supplier to be inspected in advance from the Approved Production Organization. Further, in cases of onsite inspection for Manufacturing Capabilities, documents such as Purchase Order and specifications related to the products to be inspected should be submitted in advance.

(3) Onsite inspection to the supplier may be conducted at the same time with internal supplier audit by the Approved Production Organization. In this case, the responsible Airworthiness Engineer Office should coordinate with the Approved Production Organization and its suppliers in terms of schedule etc. in advance, and notify as per Section 6.

8. Result of Onsite inspection

When an onsite inspection to the supplier is conducted, a Report of the Survey of the Approved Organization (Circular No.2-001, Form 8), which describes the result of the onsite inspection, will be created and be notified to the Approved Production Organization. When the Report is created, the name of the supplier to which the inspection has been conducted will be described in column 2, "Object of Survey" on the form 8. After receiving the report, the Approved Production Organization must report the corrective actions to the findings pointed out in the said report by documents (specified in Circular No.2-001, form 5).

9. Onsite inspection to an foreign supplier

(1) When an onsite inspection is conducted to foreign suppliers, the notification should be made via the Airworthiness Division of the Ministry of Land, Infrastructure, Transport and Tourism (Headquarters) to the foreign authority that oversees the said supplier no later than 75 days before the inspection(excluding cases where an urgent onsite inspection is

required.) to conduct inspection and ask for observation.

The following items should be included in the notification to the foreign authority.

- (a) Name of the supplier to be inspected
- (b) Objectives and Outlines of inspection
- (c) Scheduled date of inspection
- (d) The number of Airworthiness Engineers of Japan to conduct the inspection
- (e) Point of Contact of the leader of Airworthiness Engineer of Japan

(2) If critical issues or concerns related to the quality system are found, the notification of these findings should be communicated via the Airworthiness Division of the Ministry of Land, Infrastructure, Transport and Tourism to the foreign authority, as well as a Report of the Survey of the Approved Production Organization prescribed in Section 8.

(3) In case where a foreign authority and Civil Aviation Bureau of Japan has concluded Bilateral Agreement or Arrangement regarding the joint development of an aircraft, joint certification and so forth, the onsite inspection to the foreign suppliers will be delegated to the said foreign authority.

10. Others

The Approved Production Organization should take necessary measures in order that the Civil Aviation Bureau can conduct onsite inspection to the suppliers smoothly, by means of including provisions in relation to the acceptance of onsite inspection in the contract with the suppliers or notifying to the suppliers in writing and so forth.

Supplementary Provisions

1. This Circular will be applicable on January 1, 2004.

Supplementary Provisions (June 30, 2011)

1. This Circular will be applicable on July 1, 2011.

Please contact for questions or comments regarding this Circular to:

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