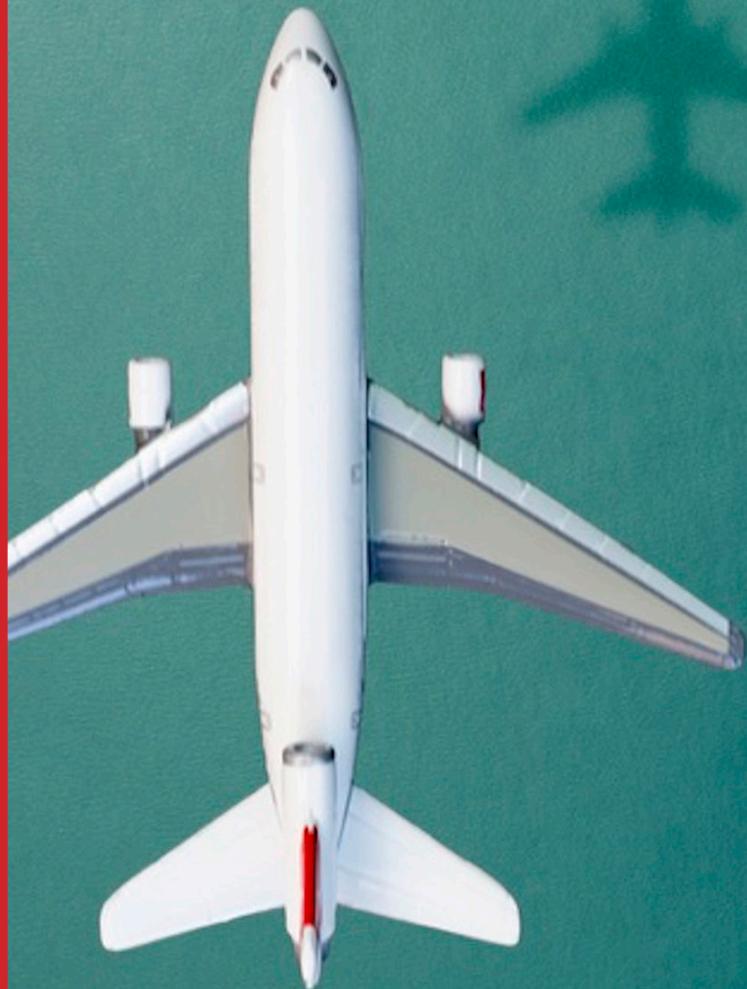


# coelum.

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Enhancing ICAO  
provisions related to  
import requirements.

by Vera García  
*(Second Delivery)*

AUGUST NEWS on  
Mexican Aviation

COELUM: Pronunciation: 'che-I&m, is Latin for airspace or sky. The Romans began questioning the rights they had in the space above the land they owned and to how high above did that right extended to. Ad coelum et ad inferos, they discussed, meaning that their right of property would extend as high up to the heavens and down to hell.

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## Enhancing ICAO provisions related to import requirements.

by Vera García

(Second Delivery)

As operational leases continue to grow and increasingly more aircraft are subject to multiple transfers of nationality over the course of its useful life, such Cross- Border transfer of aircraft could be very complicated and expensive. Therefore significant work have been undertaken by the Aviation Working Group (AWG) and the International Civil Aviation Organization (ICAO) which is seeking to promote the standardization of formats and rules; standardize records and requirements related to cross- border transferability (“XBT”) and create an international repository of national import requirements.

*“The ICAO established a repository of national import requirements through Circular 95 which seeks to homologize and standardize international regulation, national law, and practices related to the importation of Aircraft with the objective of reduce regulatory overlap and duplication of work where significant costs and operational burdens are imposed on owners and lessors without quite enhancing aviation safety.”*

In the previous edition of this newsletter the author<sup>1</sup> talked about the meetings held by ICAO on June 8th and 9th, 2016 and December 2016 (the “Meeting”), related to XBT provisions. The Meeting recognized and concluded that XBT process has a good level of safety but it still can be improved by facilitating and simplifying the current regulatory framework to be more efficient<sup>2</sup>. For this purpose, the Meeting recommended among other things *“enhancing relevant guidance material, including standardizing transfer-related documents and forms; and identifying ICAO provisions that need to be enhanced to ensure standardization of regulations and processes to facilitate, simplify and otherwise improve XBT process”*.<sup>3</sup>

The ICAO established a repository of national import requirements through Circular 95<sup>4</sup> which seeks to homologize and standardize international regulation, national law, and practices related to the importation of Aircraft with the objective of reduce regulatory overlap and duplication of work where significant costs<sup>5</sup> and operational burdens are imposed on owners and lessors without quite enhancing aviation safety.

The Circular 95 is an on-line and interactive platform that provides States or Contracting States which entered into the Convention on International Civil Aviation held at Chicago on December 7, 1994 (the “Chicago

1.- See “Cross-Border Transferability of Aircraft” by Viridiana Barquin on August 2017.

2.- Appendix B Information Related to A39-WP/237

3.- Appendix B Information Related to A39-WP/237

4.- ICAO Circular 95 (Tenth Edition) Updated April 2013 and published by the Secretary General.

5.- The Economic Impact Assessment and Select Recommendations prepared for the Aviation Working Group by SGI Aviation shows that 58% of national rules addressing aircraft technical requirements intend to meet similar safety objectives and 20% is duplication of work and only 7% is a direct result of different safety objectives. The study concludes that, over a 20-year period, the cost of dissimilar XBT regulatory requirements may exceed USD 7 billion.

Convention” or the “Convention”) information to ensure the continuing airworthiness of aircraft, specially, for aircraft that will be registered from one registry to another. Circular 95 is divided in 12 Sections:

1. **Name and address of authority responsible or delegated and authorized agency by a State for continuing airworthiness:** this section contains full information of the national authority responsible for continuing airworthiness (e.g. the General Directorate of Civil Aviation in the United Mexican States);
2. **Airworthiness and continuing agreements and arrangements:** this section identifies the States that entered into bilateral agreements or other cooperating agreements intended to provide a framework for the airworthiness authority of the importing state ( e.g. Bilateral between EU-US Bilateral Safety Agreement);
3. **Name and Address of the design organization responsible for the type design/ the continuing airworthiness of aircraft/engines within your state;**
4. **Type Certification:** this section encourages States to recognize the type certification already done by the State of Design<sup>6</sup> and avoid duplicate testing;
5. **Aircraft Registration:** this section includes regulation and procedures required for obtaining a certificate of registration in the importation state;
6. **Issue or Validation of Certificate of Airworthiness:** this section encourages the states of registration to validate the Certificate of Airworthiness issued by another Contracting State if it meets the standard requirements established in Annex 8 of the Convention.
7. **Additional Safety Improvements:** this section contains regulatory references on the national safety improvements to the type certification basis and national requirements for operationally required not included in the standards and recommended practices of Annex 6 of the Convention.
8. **Maintenance Program Approval:** this section provides the regulatory references, policies and procedures provided by the States besides a document which describes specific maintenance tasks regarding aircraft maintenance program approval pursuant to Annex 8 and Annex 6 of the Convention.
9. **Installation of Parts:** this section includes regulatory references, policies and procedures of the States related to accepting authorized released certificates.<sup>7</sup>
10. **Changes in Type Design- General Practices for State’s approval of modification and repairs:** this section includes information on policies and procedures for approval of modifications and repairs and acceptable of approvals granted by other States.
11. **Method of Handling Mandatory Continuing Airworthiness Information and Exchange of Use of Continuing Airworthiness Information:** this section includes information on the States’ policies and procures regarding Airworthiness Directives.
12. **Details of Systems for reporting of information on Faults, Defects and Malfunctions:** this section includes details of States ‘system for transmitting Aircraft’s faults to the State of Design.

On the other hand, in a local level every country should make efforts to include in its local law such recommendations and/or requirements issued by international organizations, in Mexico and by way of example, the mandatory circular No. CO AV-21.2/07-R1 issued by the General Directorate of Civil Aviation dependent from the Secretary of Communications and Transports (the “Circular”), requires the export airworthiness certificate or equivalent document issued by the export state as one of the requirements for obtaining a Standard Airworthiness Certificate.

Secondly, the Circular establishes the requirements that aircraft should meet for obtaining an exportation airworthiness certificate, among them are the following:

6.- According to Annex 8 of the Convention, State of Design is the State having jurisdiction over the organization responsible for the design type.

7.- The Authorized release certificates demonstrate that parts installed on Aircraft of engines were installed pursuant to the correspond airworthiness requirements

1. Current airworthiness certificate and evidence that the aircraft has been maintained according to the applicable norms;
2. 100-hour inspection or annual inspection to the aircraft according to its approved maintenance program or evidence of complying with its maintenance program;
3. Fill in the DGAC-166 EXP airworthiness exportation format;
4. Document issued by the import state establishing the special requirements of airworthiness that the aircraft should meet and if it will validate the authorization of airworthiness for the aircraft under different scenarios;
5. Records of the fulfilment of all applicable airworthiness directives and applicable airworthiness requirements;
6. Historic maintenance records such as logbooks and repairs and alterations certificates;
7. Recent weight and balance report.

If States incorporate the requirements established under Annex 8 of the Convention under their national law and directives and the exporting airworthiness certificates are granted after the revision and analysis of several formats, records and inspections, there is no need for the importing state to request and review the same requirements and documents as the exporting state already did, resulting in redundant, duplicate and overlap of work.

The platform provided by Circular 95 states in a timely and transparent manner the import requirements for aircraft that will be operated in a different State and allows easy compression of national import requirements of aircraft. Lessors and lessees are beneficiated as the process of transferring an aircraft from one jurisdiction's set of regulations to another will be less expensive and less time consuming.

*“If States incorporate the requirements established under Annex 8 of the Convention under their national law and directives and the exporting airworthiness certificates are granted after the revision and analysis of several formats, records and inspections, there is no need for the importing state to request and review the same requirements and documents as the exporting state already did, resulting in redundant, duplicate and overlap of work”*

Also, and most important, creating and having an international repository of national import requirements as Circular 95, could lead to create useful international norms and standards which will form a more efficient XBT process.

**ERA: Associations call for urgent measures to minimize airport disruption in Europe.**

The European Regions Airline Association (ERA) and other leading industry associations are expressing significant concern regarding delays at airports related to the enhanced border control since Regulation EU458/2017 entered into force. Between April 2017 and June 2017, and after Regulation EU458/2017 entered into force, the number of delayed flights due to border control issues increased by 97 per cent compared to 2016. Furthermore, in June 2017, the contribution to the average delay time per delayed flight due to border control issues increased by 30 per cent compared to 2016. With the new requirements imposed on border authorities, the ERA states that it is essential that adequate human resources are allocated and processes implemented by member states to minimize the impact. <http://www.aviationnews-online.com/regulatory/era-associations-call-for-urgent-measures-to-minimise-airport-disruption-in-europe/> August 12, 2017.

**A new bailout for SAA.**

The South African government is reported to be considering bailing out South Africa Airways (SAA) to the tune of R10 billion, approximately \$757 million, with the sale of its 39% stake in telecommunication provider, Telkom. Despite continuing losses, the government is determined to save SAA seemingly at any cost, since credit rating agencies have warned that a R10 billion bailout would be significant enough to impact South Africa's sovereign credit rating. Meanwhile, SAA suffered another setback over the weekend as one of its flights to Zimbabwe was denied entry to the country due to documentation issues. <http://www.aviationnews-online.com/airline/a-new-bailout-for-saa/> August 13, 2017.

**Mexico: Decreases 3.3% in AICM operations.**

Due to the saturation of the slots at the Mexico City International Airport (AICM), the capital's terminal decreased 3.3 percent. This fall is attributed to an airport management strategy for efficient inbound and outbound air traffic, so that air operators are being prohibited from flying if they do not have the corresponding authorized schedules. Recently, airlines made cancellations and modifications to their commercial operations in the capital airport after not having schedules assigned. <http://aerolatinnews.com/2017/08/10/mexico-disminuyen-3-3-operaciones-en-aicm/> August 30, 2017.

**HOUSTON area airports re-open; airlines running reduced schedule.**

Houston-area airports George Bush Intercontinental and Hobby re-opened today at 4:00 pm CST. The re-opening of the Houston Airport System marked the first set of flight operations in the hurricane-ravaged Houston metropolitan area, home to 6.3 million people, since last Friday. However, despite the limited resumption of service, airlines aren't exactly coming back with full-service portfolios. Other airlines are also taking a cautious approach. American's flights to Houston Hobby will not resume until Friday and flights to Houston Bush will not resume until Thursday. And in all of the cases, the flight volumes will be severely reduced from normal levels in one of America's busiest airport systems. <https://airwaysmag.com/airports/houston-area-airports-to-re-open-at-400-pm-cst/> August 30, 2017.

**The aeronautics industry grew by 11%, from January to April.**

The aviation industry in Mexico grew from January to April almost 11% compared to the first quarter of last year, making it one of the most dynamic manufacturing branches in the country. It is also one of the main destinations of foreign direct investment. From July 2016 to the same month of this year, numbers amount to US \$ 428 million have come to the country in different productive projects in the sector. Based on data from the Ministry of Economy. The federative entities that have been the destination of the aeronautical companies are mainly Querétaro, Chihuahua, Nuevo Leon and Baja California. In this way, Mexico currently has 330 companies of the sector established in national territory, when in 2004 they were 100. <http://www.vanguardia.com.mx/articulo/crecio-11-la-industria-aeronautica-de-enero-abril> August 30, 2017.

### **Miami Airport launches app that integrates passport control.**

Miami Airport launched a mobile application that integrates passport control. It can be used by Americans and Canadians who arrive in Miami on international flights and want an expedited passage through the air terminal. At each arrival they must give information about the airline where they flew and answer questions about the itinerary. They will then be given an electronic receipt to be presented at tickets reserved for users of Passport Control via mobile phones. <http://aerolatinnews.com/2017/08/04/aeropuerto-de-miami-lanza-app-que-integra-el-control-de-pasaportes/> August 30, 2017.

### **Agreement on air matters between Mexico and the EU adds 400 flights.**

The bilateral agreement in air matters between Mexico and the United States has allowed to initiate more than 400 flights between both countries. It also opens air cargo channels that will increase the opportunities of more than 500 billion dollars a year, amount of the Mexico-United States exchange, and that means the possibility of accessing an additional market of almost 700 billion dollars a year, Represented by the exchange between this country and Canada. The new agreement establishes the conditions so that any Mexican airline can request the approval of alliances with the competition authorities, which will allow the lines to expand their capacity by combining it with that of other airlines. <http://aerolatinnews.com/2017/08/28/acuerdo-en-materia-aerea-entre-mexico-y-eu-suma-400-vuelos/> August 30, 2017.

### **Mexico: Reapplies 70% arrival of US travelers to Querétaro airport.**

The largest offer of air routes from the Queretaro Intercontinental Airport (AIQ) to cities in the United States boosted a 70 percent growth in the number of travelers of American nationality, who from January to May totaled 23,336. The AIQ thus became the airport of the Bajío with greater growth of visitors originating from the neighboring country of the north, according to data of the Secretary of Tourism federal. Queretaro Tourism Secretary Hugo Burgos commented that the greater number of routes and the exchange rate have favored this rebound. "We have connections to Dallas, Chicago, Los Angeles and Houston, and soon we will have a flight to San Antonio. These connections allow more people to come from the United States, not just from that country, but from other destinations". <http://aerolatinnews.com/2017/08/23/mexico-repunta-70-la-llegada-de-viajeros-estadounidenses-al-aeropuerto-de-queretaro/> August 30, 2017

### **Under Trump Administration, U.S. Reviews Drone Export Policy.**

The Trump administration is reviewing U.S. export control policy with an eye toward relaxing restrictions that block sales to some countries of unmanned aerial vehicles. Industry is encouraging the review, with one major manufacturer saying it has mounted "a very strong campaign" to educate lawmakers on the consequences of limiting such exports. Longer term, the U.S. seeks to change how UAVs are categorized by the Missile Technology Control Regime (MTCR), an assemblage of 35 nations that have agreed to limit the proliferation of missiles and missile technology. Changes to the multilateral agreement then would flow to broader export policy. <http://www.ainonline.com/aviation-news/defense/2017-08-31/under-trump-administration-us-reviews-drone-export-policy> August 31, 2017.

### **Aerospace Industry Eyes NAFTA Negotiations.**

Negotiations about the future of the North American Free Trade Agreement (NAFTA) are expected to resume tomorrow in Mexico City, putting at stake the future of trade and manufacturing plans for numerous aerospace companies throughout North America. U.S. President Donald Trump has threatened to withdraw from the agreement, saying negotiations with Canada and Mexico have been difficult. Mexican leaders, meanwhile, reportedly have suggested they would discontinue negotiations if the U.S. withdraws from NAFTA. The International Association of Machinists (IAM), which represents workers at a number of U.S. aerospace companies, additionally is pushing for stronger worker protections, claiming, "NAFTA has cost hundreds of thousands of jobs, as U.S. companies shift production to Mexico." The IAM noted that more than 35,000 aerospace workers are now in Mexico with a much lower wage base and lack of worker protections. <http://www.ainonline.com/aviation-news/business-aviation/2017-08-31/aerospace-industry-eyes-nafta-negotiations> August 31, 2017.

*In this month extract was prepared by M. Ruelas, C. Espinosa, L. Salas, L. Caballero, C. Mondragón and R. Figueroa.*

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