NOTICE OF PROPOSED AMENDMENT (NPA) NO 2010-01

DRAFT DECISION OF THE EXECUTIVE DIRECTOR OF THE EUROPEAN AVIATION SAFETY AGENCY

Amending Decision No. 2003/01/RM of the Executive Director of the European Aviation Safety Agency of 17 October 2003 on acceptable means of compliance and guidance material for the airworthiness and environmental certification of aircraft and related products, parts and appliances, as well as for the certification of design and production organisations ("AMC and GM to Part-21")

"Other party supplier control"

TABLE OF CONTENTS

A. Explanatory Note

I. General

1. The purpose of this Notice of Proposed Amendment (NPA) is to envisage amending Decision 2003/01/RM of the Executive Director of 17 October 2003[1] to develop AMC/GM material to paragraphs 21A.139 of Commission Regulation (EC) No 1702/2003[2] [Part-21]. The scope of this rulemaking activity is outlined in Terms of Reference (ToR) 21.042 and is described in more detail below.

2. The European Aviation Safety Agency (hereinafter referred to as the Agency) is directly involved in the rule-shaping process. It assists the Commission in its executive tasks by preparing draft regulations, and amendments thereof, for the implementation of the Basic Regulation[3] which are adopted as "Opinions" (Article 19(1)). It also adopts Certification Specifications, including Airworthiness Codes and Acceptable Means of Compliance and Guidance Material to be used in the certification process (Article 19(2)).

3. When developing rules, the Agency is bound to follow a structured process as required by Article 52(1) of the Basic Regulation. Such process has been adopted by the Agency's Management Board and is referred to as "The Rulemaking Procedure"[4].

4. This rulemaking activity is included in the Agency's Rulemaking Programme for 2010-2013. It implements the rulemaking task 21.042 Other Party Supplier Control.

5. The text of this NPA has been developed by the Agency, based on the input from the 21.042 drafting group. It is submitted for consultation of all interested parties in accordance with Article 52 of the Basic Regulation and Articles 5(3) and 6 of the Rulemaking Procedure.

II. Consultation

6. To achieve optimal consultation, the Agency is publishing the draft decision of the Executive Director on its Internet site. Comments should be provided within 3 months in accordance with Article 6(4) of the Rulemaking Procedure. Comments on this proposal should be submitted by one of the following methods:

---

[1] Decision No 2003/01/RM of the Executive Director of the Agency of 17.10.2003 on acceptable means of compliance and guidance material to Commission Regulation (EC) No 1702/2003 of 24 September 2003 laying down implementing rules for the airworthiness and environmental certification of aircraft and related products, parts and appliances, as well as for the certification of design and production. Decision as last amended by Decision 2009/011/R of 24 August 2009.

[2] OJ L 243, 27.9.2003, p. 6. Regulation as last amended by Commission Regulation (EC) No 1194/2009 of 30 November 2009 (OJ L 321, 8.12.2009, p. 5).

[3] Regulation (EC) No 216/2008 of the European Parliament and of the Council of 20 February 2008 on common rules in the field of civil aviation and establishing a European Aviation Safety Agency, and repealing Council Directive 91/670/EEC, Regulation (EC) No 1592/2002 and Directive 2004/36/EC (OJ L 79, 19.3.2008, p. 1) as last amended by Regulation (EC) No 1108/2009 of the European Parliament and of the Council of 21 October 2009 (OJ L 309, 24.11.2009, p. 51).

[4] Management Board decision concerning the procedure to be applied by the Agency for the issuing of opinions, certification specifications and guidance material ("Rulemaking Procedure"), EASA MB 08-2007, 13.6.2007.

CRT: Send your comments using the Comment-Response Tool (CRT) available at **http://hub.easa.europa.eu/crt/**.

E-mail: In case the use of CRT is prevented by technical problems, these should be reported to the CRT webmaster and comments sent by e-mail to NPA@easa.europa.eu.

Correspondence: If you do not have access to the Internet or e-mail, you can send your comment by mail to:

Process Support
Rulemaking Directorate
EASA
Postfach 10 12 53
D-50452 Cologne
Germany

Comments should be received by the Agency **before 23 April 2010**. If received after this deadline, they might not be taken into account.

III. Comment response document

7. All comments received in time will be responded to and incorporated in a comment response document (CRD). The CRD will be available on the Agency's website and in the Comment-Response Tool (CRT).

IV. Content of the draft opinion/decision

8. Background

A Production Organisation Approval (POA) holder is responsible for determining and applying acceptance standards for physical condition, configuration status and conformity of supplied products, parts or appliances. To discharge this responsibility, the POA holder needs to have procedures to adequately control external suppliers (refer to Part 21A.139). In accordance with GM No. 2 to 21A.139(a), this control could be based upon use of qualification and auditing of the supplier's quality system. If this method is used, the auditing of the supplier's quality system is expected to be exercised by the POA holder.

Nowadays the aviation production industry is set up in a way where several POA holders use the same suppliers as sources for purchased products, parts and appliances or services. This results in the inefficient situation where a supplier is audited by several POA holders on his quality management system. Moreover, current business concepts are based on large networks of industrial partners, contractors and sub-contractors, including 1st tear, 2nd tear, 3rd tear suppliers or even further. It is very demanding for the POA holders to ensure proper oversight of such a network.

Therefore the aviation industry has developed supplier auditing schemes and standards which could achieve an equivalent level of confidence in a supplier's quality system. These audits would not necessarily be performed by the POA holder.

However, the current acceptable means of compliance and guidance material to Part-21 do not provide the option for acceptance of supplier auditing by a party independent from the POA holder as an alternative to direct audits by the POA holder as addressed in GM No. 2 to 21A.139(a). Only in the case when the supplier holds a production organisation approval alleviation can be given for the oversight of that supplier.

To improve this situation, the Agency has initiated this rulemaking task and set up a group of experts from industry, national aviation authorities and the Agency itself. For the purpose of international harmonisation also an expert from the Federal Aviation Administration (FAA) was a member of this group.

9. Objective

The main objective of this rulemaking task was to amend AMC/GM to Part-21 and, if required, Part-21 to accept oversight of suppliers' quality management systems by an independent supplier oversight system as an alternative method for the POA holder to fulfil his supplier surveillance responsibilities.

10. Basis for discussion

Due to the global character of this subject, a harmonisation with other aviation authorities was considered essential. Based on a long-term relation between industry and the FAA, the FAA issued already the FAA order 8120.12 which deals with the same subject. This order has been taken as a basis for the discussion within the group.

11. Major considerations and justification

An important initial discussion within the RM group dealt with the question if the oversight of a supplier's quality system is required by the current rules to be performed by the POA holder himself. It was finally agreed that the current Part-21 does not contain such a requirement, although this has been the general interpretation thus far. When the oversight is done by a third party, the POA holder remains responsible for the control of his suppliers.

Based on this common understanding, the question of possible ways of the acceptance of other party supplier control systems was raised. As a direct approval of such a system is outside the remit of the Basic Regulation, it was decided that only the use of such a system may be accepted as a part of the POA approval. A review of Part-21 showed no requirements which prevent the involvement of other parties in the supplier surveillance.

To provide guidance on the possible use of other party systems and the way how such systems may be used under a POA approval, the group agreed to amend Part-21's guidance material (GM No. 2 to 21A.139 (a)) which already contains different tools for the control of suppliers and to add acceptable means of compliance.

If a POA holder does not intend to perform the surveillance of a suppliers' quality system himself he has in principal two different options:

- Option 1 is through a documented arrangement (for example a contract) with another party to carry out surveillance and assessment of the supplier's quality system.
- Option 2 is making use of surveillance and assessment initiated by the supplier who contracts an appropriate recognised or accredited other party for the purpose of obtaining a certification.

The relevant requirements for these options are laid down in the newly created AMCs No 1 and 2 to 21A.139 (b)(1)(ii).

Both options address a number of elements which are equivalent to the elements addressed in the FAA order 8120.12 (compare 8120.12 § 5(a), (b) and (c) / §6 / §7 (a)(1-3) / §7(b) / §7 (c) (1-5)). For the purpose of a clear link between the requirements and the relevant options, a different structure for the proposal of the RM group has been chosen.

The drafting group discussed options to provide more specific standards that could assist in determining what industry certificates can be considered acceptable or who is acceptable to perform the role of the other party. It was decided to draft fairly generic AMC's so that these would not be too restrictive. It was however recognised that this would leave a challenge for the implementation of this AMC to both the applicant and the competent authority.

The Agency decided that this would not provide sufficient benefits for existing standards and therefore included an additional paragraph to these draft AMC's. These paragraphs specify that certain verification of the other parties' capabilities can be deemed to be met when the other party scheme meets certain standards. This is considered consistent with the common principles as provided in Decision No 768/2008/EC of 9 July 2008 on a common framework for the marketing of products. This paragraph however does not preclude that there can be other parties that can also meet the conditions of these AMC.

The envisaged change to Decision 2003/1/RM/ AMC and GM to Part-21:

12. GM No. 2 to 21A.139(a) Quality System – Conformity of supplied parts or appliances

This GM is amended to reflect that elements of the quality system of a Production Organisation Approval (POA) holder for the control of suppliers may be performed by other parties provided that the applicable provisions of the new AMCs No. 1 or No. 2 to 21A.139(b)(1)(ii) are met.

13. AMC to Part 21A.139(b)(1)(ii)

Two new AMCs are introduced for the acceptance of supplier assessment audit and control performed by other parties. Making use of other parties in supplier assessment audit and control will however not relieve the POA holder of its responsibilities.

The AMC No. 1 to 21A.139(b)(1)(ii) contains provisions for the POA holders quality system when a documented arrangement with an other-party (e.g. a consulting firm or quality assurance company) is used for assessing and/or surveying a supplier (outsourcing supplier oversight tasks).

The AMC No. 2 to 21A.139(b)(1)(ii) contains provisions for the POA holders quality system when a POA holder makes use of suppliers that are certified by another party. The intended meaning of "certified" is explained in the introduction of this AMC.

This AMC No. 2 would for instance be applicable to:

- Suppliers holding a quality system certificate issued under an acceptable accredited certification system (e.g. EN9100).

- Suppliers holding a special process certificate of approval issued under an acceptable accredited system (e.g. NADCAP).

V. Regulatory Impact Assessment

14. Purpose and intended effect

a. Issue which the NPA is intended to address

A POA holder is responsible for determining and applying acceptance standards for physical condition, configuration status and conformity of supplied products, parts or appliances. To discharge this responsibility, the POA holder needs to have procedures to adequately control external suppliers (refer to Part 21A.139). In accordance with GM No. 2 to 21A.139(a), a technique for the control of suppliers could be based upon use of

qualification and auditing of the supplier's procedures. If this method is used, the auditing of the suppliers procedures is expected to be exercised by the POA holder. This leads to a multitude of similar audits when the same supplier is used by several POA holders, which is considered a waste of resources. Figure 1 below shows a schematic representation of the process where there is an assessment and surveillance on supplier 3 by both POA holder 1 and 2. The Competent Authority potentially follows 5 routes to cover the POA quality systems of POA holder 1 and 2 and audit supplier control.

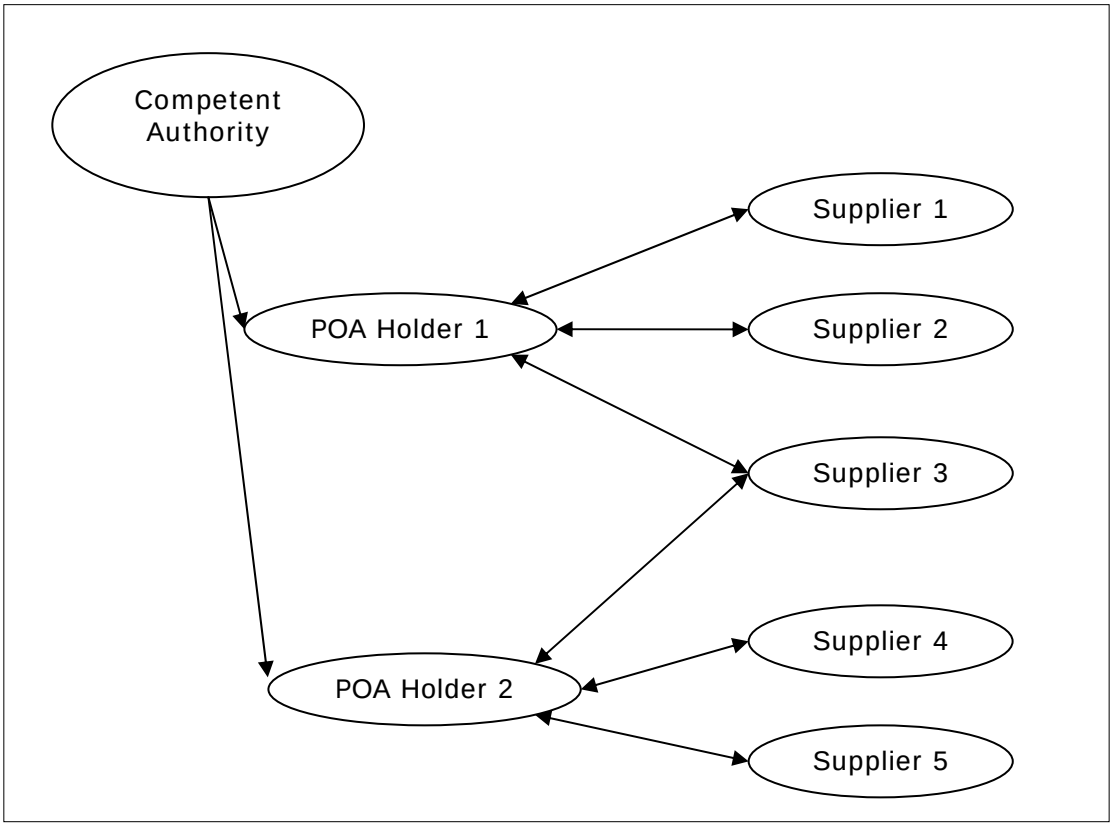

Figure 1. Current assessment and surveillance of suppliers

Industry has developed supplier auditing schemes and standards which can assist in achieving an equivalent level of supplier control. The audits performed for these schemes and standards are however not necessarily performed by the POA holder. Figure 2 shows a schematic representation of the proposal of this NPA, where the use of another party performing assessment and surveillance is accepted by a Competent Authority. It only shows assessment and surveillance links for the scope that is covered by the other party. Other links, like contractual links between the POA and a supplier or assessment and surveillance links for issues outside the scope of the other party are not shown for the sake of clarity.

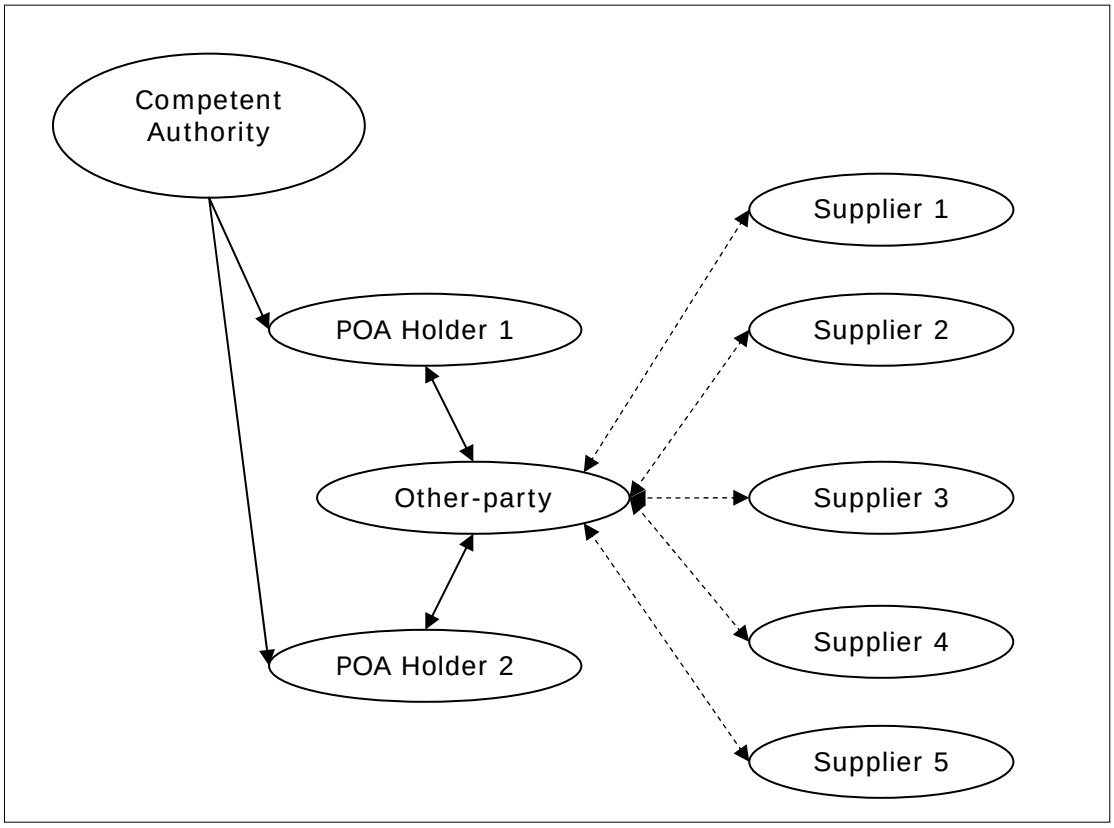

Figure 2. Proposed other party assessment and surveillance of suppliers

The current requirements do not provide means to accept or benefit from supplier control by another party independent from the POA holder.

b. Scale of the issue

Approximately 1000 POA in Europe, and approximately 20,000 suppliers used by these POA add up to a high number of organisations that are potentially impacted by this acceptance of other parties performing supplier control. The number of “overlapping” audits performed by different POA can even be a multiplication of the number of suppliers because a supplier seldom has one customer only.

c. Brief statement of the objectives of the NPA

The objective of this NPA is to develop AMC/GM to Part-21 for the acceptance of suppliers control by another party as an alternative method for the POA holder to fulfil this requirement.

15. Options

a. The options identified

Option 1: Do nothing

Option 2: Introduce unambiguous means of compliance for the acceptance of supplier control by another party as an alternative method for the POA holder to fulfil this requirement.

b. The preferred option selected

See section 14.

16. Sectors concerned

The sectors concerned are Competent Authorities, Part-21 Subpart G organisations, their suppliers and other parties involved in the control or certification of suppliers. Also other authorities outside the EASA system are involved when they accept products, parts and appliances released by a Part-21 Subpart G organisation.

17. Impacts

a. All identified impacts

i. Safety

Option 1.

No impact. Doing nothing is used as the reference baseline in this Regulatory Impact Assessment.

Option 2.

There is no direct impact expected from the introduction of AMC since the requirement is unchanged. The following secondary effects could be expected that can contribute to safety.

- When POA holders can make use of other parties to take part in the supplier control, the available POA holders' resources could concentrate on assessment and surveillance of suppliers and supplies with a higher risk.
- Allowing other parties to perform supplier control activities will stimulate the use of commonly agreed standardised, harmonised and controlled quality and/or process standards.

ii. Economic

Option 1.

None.

Option 2.

The economic impacts are split for the various stakeholders.

POA-holders

The use of other parties by POA holders is expected to have a positive economic effect on the POA holders since the assessment and surveillance of suppliers can be "shared" by using a common other party. A supplier also often pays the costs for their certification which can then be used by the POA holder in their assessment and surveillance. Also a uniform approach for supplier surveillance can now be implemented by POA holders, reducing variation and cost. In certain industry schemes (like ICOP) a POA holder will need to make some resources available to participate in industry control.

Suppliers

Duplication of audits by different POA holders will be eliminated or reduced and replaced by a single surveillance by the other party. The cost for this other party assessment and surveillance will be charged to the suppliers, but these

are often already existing costs. Overall this is expected to result in a cost reduction due to the reduction of surveillance visits.

Other parties

It is expected that other parties will benefit from the acceptance of their assessment and surveillance activities.

iii. Environmental

Reducing duplicate visits at suppliers, often in other parts of the world, reduces the need for travel. This has a positive influence on the environment. No negative influence is expected.

iv. Social

None.

v. Other aviation requirements outside the EASA scope

None.

vi. Foreign comparable regulatory requirements

The introduction of the proposed AMCs that provide the requirements for the acceptance of the use of other parties in supplier assessment and surveillance is similar to the FAA system (refer to FAA order 8120.12). It is considered as a step towards a more global harmonisation.

b. Equity and fairness in terms of distribution of positive and negative impacts among concerned sectors.

Suppliers that are already subject to assessment and surveillance by other parties (certified suppliers) that meet the requirements of the new AMCs will benefit from the proposed change, whereas those suppliers that are not certified will not. This can have an effect on the competition between suppliers. Also suppliers in countries where the other party assessment and surveillance is not (yet) accepted by the Competent Authorities have a disadvantage.

18. Summary and final assessment

a. Comparison of the positive and negative impacts for the option evaluated

Safety

There is no direct safety effect expected from the introduction of AMC because the requirement is unchanged.

Economic

A positive economic effect is anticipated for the Competent Authorities, POA holders and suppliers when the duplication of audits is reduced. Not yet certified suppliers could be facing a cost increase due to a higher market demand for “certified” suppliers. They would be expected to obtain a certification which can be costly and an administrative burden.

Environment

Reducing duplicate visits at suppliers, often in other parts of the world, reduces the need for travel. This has a positive influence on the environment.

Foreign comparable regulatory requirements

The proposed AMC’s is similar to the FAA system (refer to FAA order 8120.12) and considered as a step towards a more global harmonisation.

Equity and fairness in terms of distribution of positive and negative impacts among concerned sectors.

Suppliers that are already subject to assessment and surveillance by other parties (certified suppliers) that meet the requirements of the new AMCs will benefit from the proposed change, whereas those suppliers that are not certified will not. This can have an effect on the competition between suppliers. Also suppliers in countries where the other party assessment and surveillance is not (yet) accepted by the Competent Authorities have a disadvantage.

b. Final assessment and recommendation of the preferred option

After due consideration it is concluded that allowing POA holders to make use of other parties in performing supplier assessment and surveillance tasks if specific requirements are met is the preferred option.

B Draft Decision

I. Draft Decision AMC and GM to Part-21

The text of the amendment is arranged to show deleted text, new text or new paragraph as shown below:

1. deleted text is shown with a strike through: ~~deleted~~
2. new text is highlighted with grey shading: new
3. … indicates that remaining text is unchanged in front of or following the reflected amendment.

GM No. 2 to 21A.139(a)

Quality System – Conformity of supplied parts or appliances

The POA holder is responsible for determining and applying acceptance standards for physical condition, configuration status and conformity of supplied products, parts or appliances, whether to be used in production or delivered to customers as spare parts. This responsibility also includes BFE (Buyer Furnished Equipment) item.

To discharge this responsibility the quality system needs an organisational structure and procedures to adequately control ~~external~~ suppliers. Elements of the quality system for the control of suppliers may be performed by other parties provided that the conditions of AMC No. 1 or No. 2 to 21A.139(b)(1)(ii) are met.

Control can be based upon use of the following techniques (as appropriate to the system or product orientation necessary to ensure conformity).

- qualification and auditing of supplier's ~~quality system~~ procedures,
- evaluation of supplier capability in performing all manufacturing activities, inspections and tests necessary to establish conformity of parts or appliances to type design,
- first article inspection, including destruction if necessary, to verify that the article conforms to the applicable data for new production line or new supplier,
- incoming inspections and tests of supplied parts or appliances that can be satisfactorily inspected on receipt,
- identification of incoming documentation and data relevant to the showing of conformity to be included in the certification documents,
- a vendor rating system which gives confidence in the performance and reliability of this supplier,
- any additional work, tests or inspection which may be needed for parts or appliances which are to be delivered as spare parts and which are not subjected to the checks normally provided by subsequent production or inspection stages.

The POA holder may rely on inspection/tests performed by supplier if it can establish that:

- personnel responsible in charge of these tasks satisfy the competency standards of the POA quality system,
- quality measurements are clearly identified,
- the records or reports showing evidence of conformity are available for review and audit.

The control of suppliers holding a POA for the parts or appliances to be supplied can be reduced, to a level at which a satisfactory interface between the two quality systems

can be demonstrated. Thus, for the purpose of showing conformity, a POA holder can rely upon documentation for parts or appliances released under a suppliers 21A.163 privileges.

A supplier who does not hold a POA is considered as a sub-contractor under the ~~direct~~ control of the POA quality system.

The POA holder retains direct responsibility for inspections/tests carried out either at its own facilities or at supplier's facilities.

AMC No. 1 to 21A.139(b)(1)(ii)

Vendor and sub-contractor assessment, audit and control – Production Organisation Approval (POA) holder using documented arrangements with other parties for assessment and surveillance of a supplier

1 General

Note
A vendor and sub-contractor are hereafter referred to as "supplier" and audit and control is hereafter referred to as "surveillance".

The production organisation is required by Part-21 to demonstrate that it has established and maintains a quality system that enables the organisation to ensure that each item produced conforms to the applicable design data and is in a condition for safe operation. To discharge this responsibility, the quality system needs an organisational structure and procedures to adequately carry out the assessment and surveillance of suppliers.

The use of other parties, such as a consulting firm or a quality assurance company, for supplier assessment and surveillance does not exempt the POA holder from its obligations under 21A.165. The supplier assessment and surveillance, corrective action and follow-up activity conducted at any of its supplier's facilities may be performed by other parties.

The use of other parties to perform supplier assessments and surveillance should be part of the production organisation quality system and fulfil the conditions of this AMC.

This AMC is applicable to a method whereby a POA holder has a documented arrangement with another party for the purpose of assessing and/or surveying a POAs supplier.

2 Approval by the Competent Authority

Implementing or changing procedures for using other party for supplier assessment and surveillance is a significant change to the quality system and requires approval in accordance with 21A.147.

3 Conditions and criteria for the use of other parties to perform supplier assessment and surveillance

(a) The POA holder needs to include the use of other party for supplier assessment and surveillance in the POA holders' quality system to demonstrate compliance with the applicable requirements of Part-21.

(b) Procedures required for using other party for supplier assessment and surveillance need to be consistent with other procedures of the POA holders' quality system.

(c) Procedures of the POA holder that uses other parties to perform supplier assessment and surveillance need to include the following:

(1) Identification of the other party that will conduct supplier assessment and surveillance.

(2) A listing of suppliers under surveillance by the other party. This listing shall be maintained by the POA holder and made available to the Competent Authority upon request.

(3) The method used by the POA holder to evaluate and monitor the other party. The method shall include the following as a minimum:

(i) Verification that standards and checklists used by the other party are acceptable for the applicable scope.

(ii) Verification that the other party is appropriately qualified and has sufficient knowledge, experience and training to perform its allocated tasks.

(iii) Verification that the other party's surveillance frequency of the suppliers is commensurate with the complexity of the product and with the surveillance frequency established by the POA holder's suppliers control programme.

(iv) Verification that the suppliers' assessment and surveillance is conducted on-site by the other party.

(v) Verification that the other party has access to applicable proprietary data to the level of detail necessary to survey suppliers functions.

If the POA holder uses another party participating in a certification scheme based on the AS/EN 9100 series standards and recognised by the European Accreditation as complying with the general Community rules and policies for such schemes it is deemed in compliance with items (i), (ii), and (iv).

(4) An indication to what scope the other party will conduct suppliers surveillance on behalf of the POA holder. If the other party replaces surveillance in part, the POA holder needs to identify the functions that will continue to be surveyed by the POA holder.

(5) The procedures used by the other party to notify the POA holder of non-conformances discovered at the supplier's facility, corrective action and follow-up.

(d) The POA shall make arrangements that allow the Competent Authority to make investigation in accordance with 21A.157 to include other party activities.

AMC No. 2 to 21A.139(b)(1)(ii)

Vendor and sub-contractor assessment, audit and control – Production Organisation Approval (POA) holder using other party supplier certification

1 General

Note
A vendor and sub-contractor are hereafter referred to as "supplier" and audit and control is hereafter referred to as "surveillance".

Other party supplier certification is a method whereby a supplier contracts with an appropriately recognised or accredited other party for the purpose of obtaining a certification from that other party. Certification indicates that the supplier has satisfactorily demonstrated to meet the applicable standard on a continuing basis. Other party certification results in placing the supplier on the other party's list of certified organisations, or in the supplier receiving a certificate identifying the requirements that have been met. Periodic follow-up evaluations are conducted by the other party to verify continued compliance with the requirements of the applicable standard.

The production organisation is required by Part-21 to demonstrate that it has established and maintains a quality system that enables the organisation to ensure that each item produced conforms to the applicable design data and is in a condition for safe operation. To discharge this responsibility, the quality system needs an organisational structure and procedures to adequately carry out the assessment and surveillance of suppliers.

The assessment and surveillance of suppliers is considered to be adequately carried out when the conditions of this AMC are fulfilled. The assessment and surveillance of suppliers by another party as part of supplier certification does not exempt the POA holder from its obligations under 21A.165. The supplier assessment and surveillance, corrective action and follow-up activity conducted at any of its supplier's facilities may be performed by other parties.

The use of suppliers that are certified by another party in accordance with this AMC should be part of a production organisation quality system.

2 Approval by the Competent Authority

Implementing or changing procedures for using suppliers that are certified by another party is a significant change to the quality system and requires approval in accordance with 21A.147.

3 Conditions and criteria for using supplier certification for the supplier assessment and surveillance

(a) The POA holder needs to include the use of supplier certification for the supplier assessment and surveillance in the POA holder's quality system to demonstrate compliance with the applicable requirements of Part-21.

(b) Procedures required for use of supplier certification for the supplier assessment and surveillance need to be consistent with other procedures of the POA holders' quality system.

(c) Procedures of the POA holder that uses supplier certification for the supplier assessment and surveillance need to include the following:

(1) Identification of the other party that has certified or will certify suppliers, and will conduct supplier assessment and surveillance or the scheme under which the accreditation of the other party is controlled.

(2) A listing of certified suppliers under surveillance by the other party. This listing shall be maintained by the POA holder and made available to the Competent Authority upon request.

(3) The method used by the POA holder to evaluate and monitor the certification process of any other party certification body or other party certification scheme used. This applies not only to new suppliers, but also to any decision by the POA holder to rely on other party certification of current suppliers. The method shall include the following as a minimum:

(i) Verification that certification standards and checklists are acceptable for the applicable scope.

(ii) Verification that the other party is appropriately qualified and has sufficient knowledge, experience and training to perform its allocated tasks.

(iii) Verification that the other party's surveillance frequency of the suppliers is commensurate with the complexity of the product and with the surveillance frequency established by the POA holder's suppliers control programme.

(iv) Verification that the suppliers' surveillance was conducted on-site by the other party.

(v) Verification that the surveillance report will be made available to the Competent Authority upon request.

(vi) Verification that the other party continues to be recognised or accredited.

(vii) Verification that the other party has access to applicable proprietary data to the level of detail necessary to survey suppliers functions.

If the POA holder uses another party certification scheme based on the AS/EN 9100 series standards and recognised by the European Accreditation as complying with the general Community rules and policies for such schemes it is deemed in compliance with items (i), (ii), (iv) and (v).

(4) An indication to what degree the supplier certification performed by the other party will replace the suppliers' surveillance by the POA holder. If the supplier certification performed by the other party replaces surveillance partially, the POA holder needs to identify the functions that will continue to be surveyed by the POA holder.

(5) The POA holder needs to have procedures that ensure the POA holder is aware of the loss of an existing certification.

(6) The POA holder needs to have procedures that ensure the POA holder is aware of nonconformities and has access to detailed information of these nonconformities.

(7) The POA holder needs to have procedures in place to evaluate the consequences of nonconformities and take appropriate actions.

(c) The POA needs to make arrangements that allow the Competent Authority to make investigation in accordance with 21A.157 to include other party activities.