

Management Plan

The Federal Aviation Administration (FAA) and the Civil Aviation Administration of China (CAAC) have agreed to a process for sharing regulatory responsibilities for managing the airworthiness responsibilities associated with Enstrom Helicopter Corporation ("Enstrom") products for which the United States of America (U.S.) is the State of Design and the People's Republic of China (P.R.C.) is the State of Manufacture. This agreement relies upon the existence of a valid licensing agreement of the type design of certain aircraft between Enstrom, the U.S. type design holder, and Chongqing General Aircraft Industry Co. Ltd. ("CGAI"), the P.R.C. manufacturer.

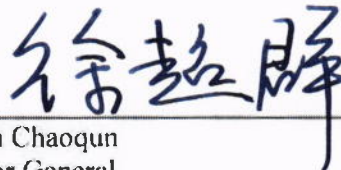
Attached is the Management Plan detailing this process.

Any further clarifications or revisions to this document will be made only after consultation and agreement between both Authorities.

The FAA and the CAAC agree to the provisions of this Management Plan as indicated by the signature of their duly authorized representative.



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Director General
Aircraft Airworthiness Certification
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Date: 2019.2.15

MANAGEMENT PLAN

Cooperation in Design, Manufacture, and Continued Airworthiness Responsibilities Between the FAA as the Authority for the State of Design (U.S.) and the CAAC as the Authority for the State of Manufacture (P.R.C.) for The Enstrom Helicopter Corporation's ("Enstrom") Designs Licensed to Chongqing General Aircraft Industry Co. Ltd. ("CGAI") For Production

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1. INTRODUCTION

1.1. AUTHORIZATION

This Management Plan is established in accordance with Section IX, “Special Arrangements and Management Plans” of the Implementation Procedures for Airworthiness (IPA), Revision 0, dated October 17, 2017, between the Federal Aviation Administration (FAA) and the Civil Aviation Administration of China (CAAC).

The procedures in this Management Plan are further authorized by section 6.3 of the IPA: “Production Approvals Based on Licensing Agreement.”

This Management Plan is required by the Eleventh Edition of Annex 8 with amendments up to 105-A, dated July 2010, to the Convention on International Civil Aviation, Airworthiness of Aircraft; Part II, section 4.2 Responsibilities of Contracting States in respect of continuing airworthiness.

Specifically, per Paragraph 4.2.1.4, State of Design:

“Where, for a given aircraft, engine or propeller, the State of Manufacture is other than the State of Design, then the State of Design shall ensure that there is an agreement acceptable to both States to ensure that the manufacturing organization cooperates with the organization responsible for the type design in assessing information on the design, manufacture and operation of the aircraft, engine or propeller.”

Specifically, per Paragraph 4.2.2, State of Manufacture:

“The State of Manufacture of an aircraft shall ensure that where it is not the State of Design there is an agreement acceptable to both States to ensure that the manufacturing organization cooperates with the organization responsible for the type design in assessing information received on experience with operating the aircraft.”

1.2. PURPOSE

This Management Plan has the following purposes:

- 1.2.1. To clearly define the State of Design (SoD) and State of Manufacture (SoM) responsibilities for the U.S. and the P.R.C. for Enstrom designs licensed to CGAI for production for which one State is the SoD and the other is the SoM. It defines the process for managing production approvals based on licensing agreements, and each Authority’s responsibilities when acting as the SoD and the SoM, including design changes, conformity to the approved design data, and continued operational safety.

1.2.2. To document the specific products authorized under this agreement.

The provisions of this Management Plan do not substitute for what is required by either FAA or CAAC regulations.

1.3. BACKGROUND

Enstrom and CGAI are both subsidiaries of the China-based company Chongqing General Aviation Industry Group Co., Ltd. (“CGAG”). (Originally, CGAG was known as Chongqing Helicopter Investment Co., Ltd. [“CQHIC”]. Note that the Enstrom and CGAI Licensing Agreement predates this name change.) Enstrom is based in Menominee, Michigan, U.S., and CGAI is based in Longxing Town, Yubei District, Chongqing, P.R.C.

This Management Plan exercises the CAAC’s discretion to allow CGAI to produce certain Enstrom aircraft under a Chinese Production Certificate pursuant to an approved type design that is regulated and overseen by the FAA.

Both Authorities recognize that certain Enstrom aircraft are produced simultaneously under two separate production approvals. The Production Certificate issued by and regulated by the FAA is separate from the Production Certificate issued by and regulated by the CAAC.

Safety assurance of these certain Enstrom aircraft requires close collaboration between the FAA and the CAAC, and the clear understanding and execution of each Authority’s distinct responsibilities under Annex 8 of the Chicago Convention.

This Management Plan applies only to the aircraft identified herein, and is contingent upon the licensing agreement established between Enstrom as the Type Certificate holder and CGAI as the Production Certificate holder. Any modification to the licensing agreement will require notification to the FAA and the CAAC. The Authorities will review, assess, and revise this Management Plan as necessary.

1.4. SCOPE

- 1.4.1. This Management Plan covers the following aspects of airworthiness for the Enstrom civil helicopter model(s) with certain serial numbers listed in Table 1:
- a. The oversight of Enstrom as the type design approval holder by the FAA; and,
 - b. The surveillance of production activities associated with CGAI’s Chinese Production Certificate by the CAAC; and,
 - c. The collaboration required between the FAA and the CAAC for continued airworthiness; and,

- 1.4.2. For those Enstrom civil helicopters manufactured in the P.R.C., the CAAC is responsible for ensuring that CGAI produces aircraft that conform to the FAA-approved type design and that CGAI complies with all other relevant CAAC regulatory requirements when determining original airworthiness.

Table 1

Enstrom Civil Helicopter Model	Type Certificate Holder	State of Design	State of Manufacture
480B S/N CE5001 and subsequent	Enstrom	U.S.	P.R.C.

2. GENERAL RESPONSIBILITIES

2.1. EACH AUTHORITY'S GENERAL RESPONSIBILITIES

- 2.1.1. Notify the other Authority of any changes in regulations, policy, personnel, and resources, as well as the capabilities of those resources, relevant to the activity performed under this Management Plan.
- 2.1.2. As appropriate, provide information to the other Authority on any significant facility or organizational changes for either Enstrom or CGAI.
- 2.1.3. Provide all documents and correspondence relating to this Management Plan in the English language.
- 2.1.4. Ensure that their respective approval holders comply with all applicable regulatory requirements.

2.2. AS THE STATE OF DESIGN, THE FAA WILL

- 2.2.1. Update the Type Certificate Data Sheet to indicate the Chinese Production Certificate and associated serial numbers in the production basis.
- 2.2.2. Require that the written licensing agreement between Enstrom as the type design holder and CGAI as the manufacturer is current and acceptable to the FAA (in accordance with 14 CFR §21.55).
- 2.2.3. Ensure that changes to the type design are approved in accordance with

14 CFR part 21.

- 2.2.4. Require the identification dataplate for aircraft manufactured by CGAI to clearly show CGAI as the builder, the aircraft model as an Enstrom Model, “FAA TC No. H1CE”, “CAAC PC No. PC0033A-XN”, and the distinctive serial number assigned in accordance with the Enstrom/CGAI Licensing Agreement (in accordance with 14 CFR §45.13).
- 2.2.5. Ensure that Enstrom monitors the continued airworthiness of the type design.
- 2.2.6. Act as the focal point coordinating all activities and defining accountability for the correction of all service difficulties.
- 2.2.7. Share Airworthiness Directives (AD) with the CAAC.

2.3. AS THE STATE OF MANUFACTURE, THE CAAC WILL

- 2.3.1. Require that the written licensing agreement between Enstrom as the design holder and CGAI as the manufacturer, is current and acceptable to the CAAC.
- 2.3.2. Ensure CGAI has established adequate manufacturing processes and quality control procedures to assure that each completed product conforms to the FAA approved Type Design data obtained through the licensing agreement, and is in a condition for safe operation.
- 2.3.3. Require CGAI to have procedures in place to ensure that any changes introduced into the design before the original airworthiness is established and conferred, are approved by Enstrom as the Type Design holder, and the FAA as the SoD.
- 2.3.4. Have the responsible CAAC office conduct an audit using their respective procedures to verify compliance with the above sections 2.3.1 to 2.3.3. This audit is to determine whether the quality system is adequate or has been appropriately changed to ensure positive control of the design and airworthiness of the product manufactured.
- 2.3.5. Have the responsible CAAC office ensure continued compliance to the above sections 2.3.1 to 2.3.3 through oversight of CGAI in accordance with CAAC’s procedures.
- 2.3.6. Inform the FAA of any changes to CGAI’s Production Certificate.
- 2.3.7. Investigate suspected regulatory violations in accordance with CAAC procedures, and notify the FAA.

- 2.3.8. Take appropriate compliance and enforcement action against CGAI for any noncompliance detected at CGAI or at their approved suppliers, as applicable, and notify the FAA.
- 2.3.9. Require CGAI to ensure that Enstrom's type design configuration produced under the CGAI Production Certificate is approved by the FAA.

3. CONTINUED AIRWORTHINESS RESPONSIBILITIES

3.1. CAAC RESPONSIBILITIES FOR CONTINUED AIRWORTHINESS

- 3.1.1. Ensure CGAI communicates and cooperates with Enstrom in assessing information received on experience with operating the aircraft.
- 3.1.2. Publish corresponding mandatory continued airworthiness instructions when notified by the FAA of its own airworthiness directive issuance.
- 3.1.3. Conduct surveillance activities of CGAI in accordance with CAAC regulations, and take mandatory and other remedial action as necessary to execute its responsibility relative to the continued airworthiness of the type design.
- 3.1.4. Maintain accountability for the corrective action arising from service difficulties or accidents attributed to manufacturing problems within CGAI.

3.2. FAA RESPONSIBILITIES FOR CONTINUED AIRWORTHINESS

- 3.2.1. Review service difficulty information and take mandatory and other remedial action as necessary in order to execute its responsibility relative to the continued airworthiness of the type design.
- 3.2.2. Notify the CAAC of mandatory action taken on service difficulties.
- 3.2.3. Maintain accountability for the corrective action arising from service difficulties or accidents attributed to design problems.
- 3.2.4. Maintain accountability for the corrective action arising from service difficulties or accidents attributed to manufacturing problems within Enstrom that may impact CGAI.

4. EXPORTING AND IMPORTING REQUIREMENTS

4.1. FOLLOW-UP PRODUCTION RESPONSIBILITIES

- 4.1.1. If CGAI is to export these aircraft or aircraft parts outside of the P.R.C, they will need to follow the specific importing/exporting requirements for that country.
- 4.1.2. Special provisions may be required for third party countries which do not allow for separate State of Design and State of Manufacture aircraft. CGAI should consult with the CAAC and the Importing Authority.

5. PROGRAM REVIEW & CHANGES TO THIS MANAGEMENT PLAN

5.1. PROGRAM REVIEW

- 5.1.1. The FAA and the CAAC will conduct a periodic review to assess the effectiveness of the activities performed under this Management Plan. The review will be conducted as agreed upon by the FAA and the CAAC, at regular intervals or following any issue that may arise.

5.2. CHANGES

- 5.2.1. This Management Plan may be revised as necessary when mutually agreed upon by each Authority. Any revisions will only be made after consultation between the FAA and CAAC, and are made effective by signature of the duly authorized representatives of the FAA and the CAAC.
- 5.2.2. This Management Plan is specific to Enstrom Helicopter Corporation licensing the Type Design of certain TC Number H1CE aircraft to Chongqing General Aircraft Industry Co. Ltd. for manufacturing in the P.R.C. (location/s to be specified on the CGAI Production Certificate as issued by the CAAC, and on the Enstrom Type Certificate Data Sheet No. H1CE as issued by FAA.) under a Chinese Production Approval. If at any point the licensing agreement or business relationship changes between these two companies, the FAA and the CAAC agree to notify the other, reevaluate the continued applicability of this Management Plan, and revise it or void it as appropriate.

5.3. TERMINATION

- 5.3.1. Either the FAA or the CAAC may, at any time, give written notice to the other Authority of its decision to terminate or suspend this Management Plan. The Management Plan will terminate three months following the date of receipt of the notice by the FAA or the CAAC, unless the said notice of termination has been withdrawn by mutual agreement before the expiry of this period.

6. REFERENCES

1. ICAO Annex 8; Airworthiness of Aircraft; Eleventh Edition with amendments up to 105-A, dated July 2010.
2. Implementation Procedures for Airworthiness, under Agreement between the Government of the United States of America and the Government of the People's Republic of China, Revision 0, approved on October 17, 2017.

APPENDIX A. POINTS OF CONTACT

FOR THE FAA

Federal Aviation Administration
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Attn: Mr. Timothy P. Smyth
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USA

Phone: +1 847-294-7357
Fax: +1 847-294-7836
Email: Timothy.Smyth@faa.gov

FOR THE CAAC

Civil Aviation Administration of China
Southwest Regional Administration
Airworthiness Certification Division
Attn: Mr. Jiang Xueke
8 Yunling Road
Chengdu, Sichuan 610200
P.R.C.

Phone: +86 28 8571 0151
Fax: +86 28 8571 0155
Email: jiangxueke_xn@caac.gov.cn

APPENDIX B. SUPPORTING DOCUMENTATION

1. Project initiation letter from The Enstrom Helicopter Corporation to FAA
2. Licensing agreement and any subsequent supplement(s) between Enstrom and CGAI
3. Enstrom's and CGAI's "Program Management Plan for Enstrom 480B Helicopter" dated August 9, 2017.
4. CGAI's Production Certificate of certain Enstrom parts and assemblies as issued by CAAC.
5. Notification Letter of Change of Company Name, April 29, 2014