



Working Arrangement

between

The Civil Aviation Administration of China

and

The Civil Aviation Authority of New Zealand

for

**Production of the Pacific Aerospace Limited
750XL Aircraft by the Changzhou Pan-Pacific
Aerospace Technology Company Limited**

1. Introduction

- 1.1. The Civil Aviation Administration of China (CAAC) and the Civil Aviation Authority of New Zealand (CAANZ), referred to as the “Authorities”, agree upon this Working Arrangement for the production of the Pacific Aerospace Limited (PAL) 750XL aircraft by Changzhou Pan-Pacific Aerospace Technology Company Limited (CPAT) in Changzhou, China.
- 1.2. This Working Arrangement sets out regulatory oversight arrangements established in the interests of strengthening the Authority’s working relationship while maintaining the common interests of aviation safety, environmental compatibility, and minimizing the economic burden incurred through any unnecessary duplication of regulatory oversight.
- 1.3. This Working Arrangement has been developed to complement:
 - 1.3.1. the regulatory responsibilities set out in Annex 8 to the International Civil Aviation Organization (ICAO) Convention on International Civil Aviation (“Annex 8”); and
 - 1.3.2. the Technical Arrangement between CAAC and CAANZ on Design Approval, Export Airworthiness Certification and Post Design Approval Activities, dated 13 December 2012 (“the Technical Arrangement”).



2. Definitions

2.1. The following definitions compliment those set out in the Technical Arrangement.

“Aircraft” means the PAL 750XL and associated components thereof, excluding the Engine and Propeller.

“Licensing Agreement” means a contract or an arrangement signed by and between a New Zealand Type Design Approval holder and a Chinese Production Certificate holder (or applicant) to specify the rights and obligations of both parties in using the design data for the purposes of producing the product.

“Produce” means the assembly or manufacture of the PAL 750XL aircraft or associated components.

“Production Certificate” (PC) means a certificate issued by CAAC, authorising the production of an aviation product in accordance with a certified design.

“Product” means all certified items including the Aircraft, Engine and Propeller.

“State of Design” (SoD) means the State or territory having jurisdiction over the authority responsible for the type design and continued airworthiness of the product or article.

“State of Manufacture” (SoM) means the State or territory having regulatory authority over the organization responsible for the production, assembly and airworthiness of a civil aeronautical product or article.

“State of Registry” (SoR) means the State that has entered the aircraft into their Register. In the context of this arrangement, the SoR is also the authority that is conducting the product validation.

“Type Certificate” (TC) means a document issued by a SoD to define the design for an aircraft, engine or propeller, type and to certify that this design meets the appropriate airworthiness requirements of that State.

“Validation of Type Certificate” (VTC) means a kind of design approval issued by CAAC, based on Technical Arrangement between CAAC and CAANZ, to the product certified by CAANZ.



3. Purpose and Scope

- 3.1. This Working Arrangement specifically and solely defines the responsibilities of CAAC and CAANZ in relation to the production of the PAL 750XL aircraft by CPAT in China.
- 3.2. This Working Arrangement does not, in any way, affect the legal responsibilities that CAAC and CAANZ respectively have under International and / or Domestic Law. The final CAAC type validation, production certification and airworthiness certification of all PAL 750XL products produced in China will remain the sovereign responsibility of CAAC.
- 3.3. Notwithstanding any responsibilities set out in this Working Arrangement, the Technical Arrangement remains the primary reference for all activities undertaken between the Authorities.

4. Objectives

- 4.1. This Working Arrangement intends to accomplish the following objectives:
 - 4.1.1. To define communication procedures between Authorities.
 - 4.1.2. To define the respective responsibilities of each Authority for the production of the PAL 750XL aircraft in China.
 - 4.1.3. To define the means of identification of aircraft produced in China.
 - 4.1.4. Cooperation to ensure the continued airworthiness of aircraft covered by this Working Arrangement.

5. Communication

- 5.1. The Aircraft Airworthiness Certification Department of CAAC (CAAC-AAD) and the Airworthiness Unit of CAANZ (CAANZ-AU) will be responsible for the implementation of this Working Arrangement.
- 5.2. Each Authority will assign a focal point to facilitate the implementation of this Working Arrangement (see Appendix 1). All routine communication in relation to this Working Arrangement will take place between these focal points. The list of focal points shall be amended as necessary through an exchange of letters.



5.3. All communication between the Authorities related to the activities of this Working Arrangement will be made in the English language.

5.4. CAANZ shall be 'copied' with all correspondence between CAAC and PAL related to the activities conducted under the provisions of this Working Arrangement.

6. Authority Responsibilities

6.1. Responsibilities of CAANZ

6.1.1. CAANZ will fulfill the responsibilities of SoD for the PAL 750XL aircraft, as set out in Annex 8 to the ICAO Convention, and will inform CAAC of all mandatory airworthiness modifications, special inspections, special operating limitations or other actions necessary for maintaining the airworthiness of the PAL 750XL aircraft, including:

6.1.1.1. Approval of the initial type design and issuance of a TC.

6.1.1.2. Be responsible for the approval of all design changes submitted by PAL, approval of design changes and coordination of design changes with CAAC, including:

- a. Modifications and design changes related to product enhancements or improvements, including updates to the aircraft type certificate, model, manuals and instructions for continuing airworthiness.
- b. Changes to special manufacturing processes identified in the type design;
- c. Modifications and design changes related to major repairs; and
- d. Changes to support the manufacturing process.

6.1.1.3. Conduct surveillance and oversight inspections on behalf of CAAC for materials produced by PAL and / or New Zealand based subcontractors, under the CAAC PC as necessary.



6.1.1.4. Assist CAAC in investigating any potential unsafe conditions or service difficulty problems, on products manufactured under a CAAC PC, which may be associated with the approved design.

6.1.1.5. Support CAAC with any investigations into suspected unapproved parts.

6.1.1.6. Provide technical support to CAAC for compliance and enforcement investigation, as required.

6.1.2. PAL 750XL aircraft components or production kits manufactured by PAL, in support of CPAT production activities, will be delivered to China under CAANZ Form 1 thereby certifying that each such component conforms to the CAAC PAL 750XL VTC.

6.2. Responsibilities of CAAC

6.2.1. CAAC will take the regulatory responsibility for maintaining the VTC, including the associated Validated Type Certificate Data Sheet (VTCDS), against which the PAL 750XL is manufactured in China.

6.2.2. CAAC will fulfill the responsibilities of SoR and SoM, as set out in Annex 8 to the ICAO Convention, including:

6.2.2.1. After becoming satisfied that CPAT has all of the necessary arrangements in place to support production in China, issue CPAT a PC for production of the PAL 750XL in China.

6.2.2.2. Perform surveillance of CPAT in accordance with applicable regulatory standards, policies, and/or procedures to provide assurance that CPAT manufactures PAL 750XL aircraft conforming to the validated type design and in accordance with the PC.

6.2.2.3. Issue all necessary Special Flight Permits, Radio Station Approval, and temporary registration certificates for the PAL 750XL aircraft produced in China.

6.2.2.4. Support and approve production flight test.



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- 6.2.2.5. Ensure that CPAT's information systems allow for the collection, analysis, and distribution of service difficulty information to the TC holder.
 - 6.2.2.6. Provide service difficulty reports and 'quality escape' information to CAANZ, and support any subsequent investigation.
 - 6.2.2.7. Conduct investigations of suspected unapproved parts.
 - 6.2.2.8. Conduct compliance and enforcement actions.
 - 6.2.2.9. Require CPAT to implement all CAANZ-issued Mandatory Continued Airworthiness Information design changes and Airworthiness Directives.
 - 6.2.2.10. Provide all necessary information to CAANZ in order to allow CAANZ to discharge the continued airworthiness obligations as SoD. CAAC will inform CAANZ in writing of any manufacturing and quality issues related to the airworthiness of the PAL 750XL aircraft produced in accordance with CAAC PC.

7. Mutual Responsibilities

- 7.1. CAAC and CAANZ will cooperate to analyse any airworthiness-related manufacturing or quality issues, as they relate to accidents, incidents or reported in-service difficulties in either State.
- 7.2. CAAC and CAANZ will meet annually to assess the effectiveness of the technical assistance performed under this Working Arrangement.

8. Identification of Aircraft

- 8.1. CAANZ and CAAC will amend their respective Type Certificate Data Sheets (TCDS) and VTCDS for the PAL 750XL aircraft to provide the identification and traceability of the PAL 750XL aircraft, including parts and appliances, produced in China.
- 8.2. CAANZ will annotate the TCDS with the serial numbers allocated for PAL 750XL aircraft produced by CPAT in China.



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- 8.3. CAAC will update the VTCDS to maintain a record of specific serial numbers, of aircraft produced by CPAT in China.
 - 8.4. The identification data plate for the PAL 750XL aircraft produced in China will identify CPAT as the manufacturer and include reference to the CAAC VTC and CAAC PC.
 - 8.5. The manufacture of parts in China, necessary for CPAT assembly of complete PAL 750XL aircraft, will be covered under the CAAC PC. All such parts will be marked in a manner that clearly identifies CPAT as the manufacturer.
 - 8.6. This Working Arrangement does not cover the release of individual PAL 750XL parts manufactured under the CAAC PC. Parts marking and release arrangements will be the subject of an amendment to this Arrangement once agreed between Authorities.
 - 8.7. When required, the Export Certificate for any PAL 750XL aircraft produced in China shall be produced in accordance with Annex 8 to the ICAO Convention and the CAAC regulatory system.

9. **Continued Airworthiness**

- 9.1. CAANZ, as SoD, will be responsible for the continued airworthiness of the type design, including reviewing service difficulty information and requiring mandatory action to be taken when required.
- 9.2. CAANZ will promptly inform CAAC of all mandatory airworthiness modifications, special inspections, special operating limitations or other actions necessary for maintaining the airworthiness of the PAL 750XL aircraft.
- 9.3. CAAC, as SoM and SoR, will promptly notify CAANZ of any unsafe condition associated the operation of the PAL 750XL aircraft in China.



10. Entry into force, Interpretation, Amendment, Duration and Termination

10.1. Entry into force

- 10.1.1. This Working Arrangement shall enter into force at the date of signature by the Authorities' duly authorised representatives.

10.2. Interpretation and amendment

- 10.2.1. Any disagreement regarding the interpretation of this Working Arrangement will be resolved through consultation between the Authorities.
- 10.2.2. Authorities shall mutually agree upon any changes to this Working Arrangement. Any such changes shall be in writing and shall enter into force at the date of the last signature of the Authorities' duly authorized representatives or its designees.

10.3. Duration and termination

- 10.3.1. Either Authority may give written notice to the other Authority of its decision to terminate this Working Arrangement at any time.
- 10.3.2. This Working Arrangement shall terminate three months following the receipt of the notice by the other Authority.
- 10.3.3. This Working Arrangement signed in duplicate in English language.
- 10.3.4. The Authorities agree to the provisions of this Working Arrangement as indicated by their duly authorised representatives.

For CAAC



Li Jian
Deputy Administrator
Civil Aviation Administration of China

For CAANZ



Graeme Harris
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Civil Aviation Authority of New Zealand

2017.3.1,

CAANZ and CAAC Working Arrangement Focal Points

For CAANZ	For CAAC
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