



<b>Subject:</b> <b>dry lease-in of third country aircraft by Community operators for Commercial Air Transport</b>
<b>Key issues:</b> <ul style="list-style-type: none"><li>• leased-in aircraft is added to the AOC of the Community operator (lessee)</li><li>• leased-in aircraft remains registered in a third country</li><li>• leased-in aircraft has a valid CofA issued in accordance with ICAO Annex 8</li><li>• leased-in aircraft complies with EU Continues Airworthiness Management and Air Operations</li></ul>
<b>Problem description:</b> <ul style="list-style-type: none"><li>• Leisure carriers are confronted with an inherent seasonal demand for aircraft capacity. This seasonal demand means EU registered aircraft are usually not available. Registering and deregistering aircraft registered in a third country for the typical duration of seasonal leases is complicated and costly.</li><li>• There is no safety argument against the use of aircraft registered in a third country, as the current regulations allow its use under wet lease-in (on AOC third country operator). The airworthiness of these aircraft therefore is not an issue.</li><li>• Due to the currently imposed Part-21 requirement for the CofA, it is no longer possible for aircraft registered in a third country (which have a standard CofA per ICAO Annex 8, but not Part-21) to benefit from the additional level of safety and oversight enabled by dry leasing-in (on AOC Community operator) compared to wet leasing-in.</li></ul>
<b>References:</b> <ul style="list-style-type: none"><li>A. Regulation 1008/2008 (Air Services Regulation)</li><li>B. Joint Aviation Requirements for Commercial Air Transportation with Aeroplanes (JAR-OPS 1)</li><li>C. Regulation 3922/91 on common technical requirements and administrative procedures applicable to commercial transportation by aeroplane (EU-OPS)</li><li>D. Annex to the certification regulation 1702/3003 (Part-21)</li><li>E. NPA 2010-10 on maintenance requirements for non-EU aircraft used by EU operators: Annex V to the continued airworthiness regulation 2042/2003 (Part-T)</li><li>F. NPA 2011-05 on third country operators for commercial air transport (Part-TCO)</li></ul>
<b>Background:</b> <ol style="list-style-type: none"><li>1. Per regulation 1008/2008 article 13.3, a Community air carrier may wet lease-in an aircraft registered in a third country (with a standard CofA i.a.w. ICAO Annex 8) for a period up to seven months.</li><li>2. Per Part-TCO, an aircraft registered in a third country operated into, within or out of EU territory by a third country operator shall have a standard CofA i.a.w. ICAO Annex 8.</li><li>3. Per (former) JAR-OPS 1.180 (a)(1), aircraft operated by a Community operator under its AOC aircraft (e.g. dry lease-in) shall have a standard CofA i.a.w. ICAO Annex 8.</li><li>4. Per (current) EU-OPS 1.180 (a)1, aircraft operated by a Community operator under its AOC aircraft (e.g. dry lease-in) shall have a standard CofA i.a.w. Part-21.</li><li>5. Per EU-OPS 1.165 (c)1, a Community operator shall not dry lease-in from an entity other than another Community operator, unless approved by the Authority. Any conditions which are part of this approval must be included in the lease agreement.</li></ol>
<b>Objective:</b> <p>This paper proposes conditions (in addition to the proposed Part-T) to operate aircraft registered in a third country by a Community operator on his AOC (dry lease-in).</p> <p>Note: EU-OPS references to be replaced by corresponding EASA references once adopted.</p>

**Additional requirements for aircraft registered in a third country and subject to a dry lease-in agreement with a Community operator for Commercial Air Transport:**

- (1) The two authorities must make arrangements with regard to the supervision as stipulated in EU-OPS 1.175 (d).
- (2) The aircraft holds a valid CofA issued per ICAO Annex 8. Certificates must be mutually recognised via safety agreements which the European Community has concluded with third countries. The EU mandate must also allow acceptance by the Competent Authority of the foreign CofA.
- (3) Any difference existing with the European Regulations regarding instruments, safety equipment, communications and navigational equipment (EU-OPS Subparts K and L) shall be reported and are acceptable to the Competent Authority.
- (4) The aircraft shall be handled by the Community operator by his Continued Airworthiness Management in the same manner as for aircraft registered in the Community.
- (5) The aircraft shall be maintained per a maintenance program based on information made available by the TC holder, approved by the State of Registry and acceptable to the Competent Authority. The maintenance program shall be amended as required by the State of Registry.
- (6) The maintenance shall be performed by an appropriately approved Part-145 maintenance organisation. A copy of this contract shall be provided to the Competent Authority.
- (7) The leased-in aircraft registered in a third country can in this way be added temporarily to the AOC of the Community operator, subject to the same limitations in duration as applicable to wet-lease-in contained in Regulation 1008/2008.

**Lease Audit Program:**

The operator provides the Competent Authority for approval his lease audit program, which shall specify:

- (1) Method of auditing and inspections: composition of the audit team, audit and inspection procedures, number and duration of inspections. A distinction may be made between initial and follow-up audits.
- (2) Auditor, qualification, authorisation and independence: basic competence, operational/audit experience and/or knowledge, minimum number of audits performed per year. Independence of the auditor vis-à-vis the auditee must be safeguarded.
- (3) Audit scope: established and detailed at auditor work instruction level.
- (4) Audit schedule: planning shall take into account follow-up for the verification of corrective measures.
- (5) Monitoring and corrective measures
- (6) Procedures and criteria for the determination of a comparable safety standard

If within the Lease Audit program, third party audits are used (such as but not limited to IATA IOSA), all differences with regards to the audit scope must be clear.

**Lease Documentation:**

For the processing of lease application, the following documents must be submitted to the Competent Authority:

- (1) The reason, date of commencement and end date of the lease
- (2) The number and type of aircraft
- (3) A copy of the lease agreement with the terms and conditions
- (4) Report of the initial audit, with findings and corrective actions.
- (5) A copy of the AOC of the lessor
- (6) Copies of the insurance certificates with regard to passenger, cargo and third-party liability
- (7) A copy of Certificate of Registration
- (8) A copy of the Certificate of Airworthiness (CofA)
- (9) A copy of the maintenance program
- (10) A copy of the maintenance contract