



# Memorandum

**U.S. Department of  
Transportation**

Office of the Secretary  
of Transportation

Office of Inspector General

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Subject: **INFORMATION:** Notification of Audit on Date: February 23, 2004  
FAA's Oversight of Aircraft Manufacturers'  
Quality Assurance Systems for Suppliers  
Project No. 04A3003A000

From: David A. Dobbs   
Assistant Inspector General  
for Aviation Audits

Reply to  
Attn of: JA-10:x60500

To: John F. Hennigan  
Acting Assistant Administrator  
for Financial Services/CFO

We have completed our survey of the Federal Aviation Administration's (FAA) process for the certification and surveillance of aircraft and aircraft parts. As a result of that work, we are starting a series of more focused audits that will address the changing landscape in aircraft manufacturing.

During our survey, we determined that aircraft manufacturing has changed in two significant ways. First, both U.S. and foreign aircraft manufacturers now use suppliers around the world to manufacture major portions of the parts and systems on their aircraft. For example, over half of the major components on the Boeing 777 aircraft were manufactured in foreign countries. Similarly, foreign aircraft contain key aircraft parts and systems that have been manufactured in the United States. Second, air carriers are increasingly ordering foreign-manufactured aircraft when adding to their fleets. For example, in 2003, Airbus attained 50 percent of the worldwide market share of future aircraft orders.

As discussed between senior level OIG and FAA officials on February 4, 2004, our first audit will evaluate how FAA has responded to the increased use of foreign suppliers by U.S. manufacturers and how FAA provides oversight of domestic suppliers providing products for foreign aircraft manufacturers. The objective of this audit will be to evaluate FAA's oversight of aircraft manufacturers' quality assurance systems for domestic and foreign suppliers.

Our audit will include visits to FAA Headquarters and field offices responsible for surveillance of manufacturers' suppliers. We also plan to visit foreign and domestic suppliers.

As indicated in the preceding paragraphs, our survey identified other certification areas that we will review in the future. We will provide you with more information on our plans when we initiate those audits. We will be assisted on each of our audits by aviation consultants Simat, Helliesen & Eichner.

If you have any questions or need additional information, please contact Lou E. Dixon, Program Director, or Tina B. Nysted, Project Manager, at (404) 562-3770.

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cc: FAA Administrator, AOA-1  
FAA Chief of Staff, AOA-2  
FAA Audit Liaison, ABU-100  
OST Audit Liaison, M-1