SPECIAL ARRANGEMENT BETWEEN THE

FEDERAL AVIATION ADMINISTRATION DEPARTMENT OF TRANSPORTATION UNITED STATES OF AMERICA

AND THE

CIVIL AVIATION AUTHORITY UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

IMPORT/EXPORT OF ROLLS ROYCE PRODUCTS AND PARTS

1. In accordance with Section IX of the Implementation Procedures for Airworthiness (IPA) to the U.S./UK Bilateral Aviation Safety Agreement (BASA), this document sets out an agreement allowing the continuity of services following the exit of the United Kingdom (UK) from the European Union (EU). This document outlines the links between Rolls-Royce Deutschland Ltd & Co KG (RRD) based in Germany, the design organisation for aircraft engines and other Rolls-Royce production companies based in the United Kingdom, namely Rolls-Royce Aero Engine Services Limited and Rolls-Royce Plc (RR). This document also establishes procedures for the export of RR engines and parts from the United Kingdom to the United States.

2. The Federal Aviation Administration of the United States of America (FAA) and the Civil Aviation Authority of Great Britain and Northern Ireland (CAA) consider that this Special Arrangement is necessary as the State of Design (SoD) for the Rolls Royce RB211 and Trent aero engines is Germany and the State of Manufacture (SoM) is the UK. After the exit from the EU and the end of the Transition Period (a term defined by Article 126 of the EU-UK Withdrawal Agreement signed in January 2020), for the purposes of the IPA, the design organisation will be located in a third state. Paragraph 2.2.3.3(a) of the IPA refers to an arrangement between the SoD and the SoM that must be accepted by the Importing Authority (i.e., FAA). There is no such arrangement between the CAA and the European Union Aviation Safety Agency (EASA). Upon conclusion of an arrangement between the CAA and EASA for the purposes of establishing procedures associated with the split SoD and SoM situation reflected in this Special Arrangement, the CAA shall notify the FAA and provide a copy of that arrangement to the FAA to review for the purposes of IPA paragraph 2.2.3.3 (a).

3. This Special Arrangement covers RR engines and parts for which the SoM is the UK and the SoD is Germany.

4. In support of this Special Arrangement and in recognition of the unique circumstances associated with the split SoD and SoM as a result of the UK's exit from the EU, the FAA has reviewed the arrangements between RR and RRD and the legal bases for their design and production organisation approvals. These arrangements, as detailed in paragraphs 3 and 4 below, have been determined to be sufficient to meet the intent of IPA paragraph 2.2.3.3(a) for a limited duration after the UK's exit from the European Union and end of the Transition Period.

5. Legal basis

5.1 The UK's European Union (Withdrawal) Act 2018 (Withdrawal Act) causes any primary, secondary or tertiary EU legislation that is in force and applicable at the end of the Transition Period to apply in the UK after December 31, 2020.

5.2 The existing arrangement between the CAA and the EASA is contained within EU legislation and in particular the Airworthiness and Environmental Certification Regulation (EU) 748/2012 (Part 21). On January 1, 2021, Part 21 will be exactly the same in both Germany, pursuant to its continued membership of the EU, and the UK, pursuant to the Withdrawal Act.

5.3 Furthermore and pursuant to the said Withdrawal Act, for up to two years after December 31, 2020, the UK shall recognise EASA organisational approvals that were issued before December 31, 2020 and have not expired.

5.4 The UK shall also recognise all EASA design approvals issued when fulfilling the SoD obligations for up to two years after December 31, 2020.

6. Continued Airworthiness

6.1 Rolls-Royce is a global organisation and RR wholly or partly owns over 300 companies and trading names registered world-wide. It manages these, along with RR activities, through a global corporate structure, organising its activities into three business units (Civil Aerospace, Defence and Power Systems), each of which is managed by a business unit president and governance structure. The company operates a global management system, in which process and procedures are applicable world-wide.

6.2 For Rolls-Royce engines where the SoD is Germany, and the SoM is the UK, the organisational interfaces for data access and cooperation in continuing airworthiness matters between design and production are satisfied by common systems applied by RR and RRD, under the global Rolls-Royce corporate structure. The acceptability of these design-production links is a key element of the award of the EASA Design Organisation Approval (DOA) held by RRD, which combines RRD and RR design activities, and the UK CAA Production Organisation Approval (POA) and the EASA POA held by RR, both of which will continue to apply after December 31, 2020. The aforementioned approvals assure the reporting of issues relevant to continued airworthiness to the SoD and the SoM. The requirement to ensure the necessary arrangements are in place are set out in Part 21.A.133(c), which is a rule common to both Germany's and the UK's legal system. Part 21.A.133(c)'s interpretation and applicability is the same in both States.

6.3 Design activity for European engines is managed under the Civil Aerospace business unit and is carried out within RR in the UK, and RRD in Germany. Whilst RRD is a wholly-owned subsidiary of RR, the design activities of the two organisations are combined into a single EASA Part 21 DOA, centred in Germany.

6.4 Design data is created using procedures which are common to every Rolls Royce organisation. Civil Aerospace unit procedures with common design standards and IT tools are applicable to both RR and RRD. The transfer of design data from Rolls-Royce design organisations to Rolls-Royce production organisations is managed through Rolls-Royce-wide IT systems.

6.5 Aircraft powerplant components for engines are designed by RR and organisations in its supply chain. Agreements are made between RR and airframe manufacturers for transfer of data and airworthiness support. Organisational procedures control the interaction between design and production to determine the acceptability of designs for manufacture. Quality assurance of manufactured components and assemblies is maintained through the common "first article inspection report" process.

6.6 Engine design data is approved under EU requirements, either by EASA, or under the privileges of the Part 21 DOA. This data is recognised by the CAA as approved in the UK system pursuant to the recognition provisions in the Withdrawal Act.

6.7 Any non-conformance is managed through procedures common to the Rolls Royce organisations in the UK and Germany. Reports are submitted from the production organisation to the design organisation using an RR IT system which is present and used by both organisations. Any assembly design query that a UK production site has are raised with the RR design organisation for resolution using the common IT system and internal RR processes, in accordance with requirements for coordination between design and production contained in Regulation (EU)748-2012, Part 21.A.4 and Part 21.A. 133 (b) and (c).

6.8 Design Organisation/Production Organisation Communications: The non-conformance processes described in the preceding paragraph are in addition to the close, regular contact between project, assembly and test design teams, component design teams and the component manufacturing organisations. However, potential significant safety issues are reported through the Rolls-Royce worldwide "Safety Alert Report System". Production support for continued airworthiness issues to help identify potential causes and the number of potentially-affected products is a requirement of the Rolls-Royce worldwide safety processes as part of the design and production organisation interface required by Part 21.A.133.

6.9 External safety communication: Occurrence Reporting (and follow up activity) are mandatory obligations for any DOA or POA in the EU or in the UK pre- and post-December 31, 2020. Potential safety issues are reported to EASA by RR's Civil Large Engine Project teams, under the procedures of the "single DOA" in accordance with Regulation (EU) 748-2012, Part 21.A.3A. Reports (and follow up activity) of production issues potentially affecting safety are reported to the UK CAA by RR as per its UK POA, and to EASA in accordance with its third country POA in accordance with Regulation (EU) 748/2012 Part 21.A.165.

7. Export of RR Engines and Parts to the United States: Section VII of the U.S./UK BASA IPA provides the procedures to be followed for the export of RR engines and parts to the United States under this Special Arrangement.

8. Resolution of Disagreements: Any disagreement regarding the interpretation or application of the procedures established in this document shall be resolved through consultations between the FAA and the CAA.

9. Entry into Force and Termination:

9.1 The FAA and the CAA agree to the provisions set out in this document as indicated by the signature of their duly authorized representatives. It shall enter into force on the date of the last signature below and the entry into force of the IPA.

9.2 Upon FAA acceptance of the UK/EU arrangement referred to in IPA paragraph 2.2.3.3 (a), this Special Arrangement will be terminated.

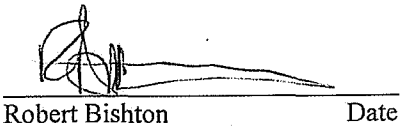
9.3 In the absence of the FAA acceptance referred to in paragraph 9.2. above, either Party may terminate this Special Arrangement at any time by providing sixty (60) days' written notice to the other Party. It will, in any event, terminate on January 1, 2023.

10. Authority: The FAA and the CAA agree to the provisions of this Special Arrangement as indicated by the signatures of their duly authorized representatives.

Federal Aviation Administration
Department of Transportation
United States of America

Earl Lawrence 15/DEC/2020
Earl Lawrence Date
Executive Director
Aircraft Certification Service

Civil Aviation Authority
United Kingdom of Great Britain
and Northern Ireland


Robert Bishton Date 11/DEC/20
Group Director
Safety and Airspace Regulation Group