September 2020

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Industry News

With airline fleets

Association Update

Dear AFRA Members

Firstly, I would like send my best wishes to all our members, AFRA staff, colleagues and families in these challenging and trying times. I feel the global situation is the "new norm" until a vaccine is found but knowing the aviation family as I do, we will all tackle



any challenge head on and support each other in any way possible.

This month, I thought you may like an insight to the end-of life sector and how the pandemic is affecting this sector of the industry. Disassembly projects are still ongoing with plenty of contracts signed for the coming months. Talking to other facilities like Air Salvage International here in Europe, they are seeing similar demand, but the big change is the volume of assets parked at our facility under storage awaiting sale for disassembly or return to service. The future of fleets is clearly unknown, so both the leasing community and parts trading companies are taking a cautious approach without any "knee jerk" decisions.

Shortly after returning from the ISTAT Americas conference in Austin back in March, the leasing companies I spoke to felt there was no need to drastically reduce pricing on assets parked up or already marketed for sale. They were happy to sit on these assets and even though most are keeping to this model, we have seen asset pricing drop over the last few months. This move by the leasing community has prevented the parts market being flooded which in turn drives down pricing but how long will this last? Again, this is still is very questionable with parts trading companies taking different approaches with some of our customers continuing to purchase assets for material whilst others deciding to change their business model at this time and move away from buying complete

grounded, plane recyclers bet on parts boom

"As COVID-19 grounds swaths of airline fleets, companies that profit off the dismantling and trade of aircraft parts are seeing early signs of an expected rebound in activity as carriers accelerate plane retirements."

- Reuters

NAAI merges with AIRA for complete interiors recycling

"North American Aerospace Industries (NAAI), an end-to-end aircraft recycling company based in North Carolina, USA, has merged with Aircraft Interior Recycling Association (AIRA), a UK-based aircraft interiors support company."

- Aircraft Interiors International

Airline industry applauds Democrats for including aid in coronavirus relief package

"The airline industry applauded House Democrats for providing relief or the devastated sector in their \$2.2 trillion coronavirus package unveiled on Monday, but stressed the urgent need for the bill to pass Congress."

- The Hill

AFRA Committees

Please email AFRA staff to get involved in AFRA's committees:

- *BMP Development
- *Communications
- *Membership
- *<u>R&D</u>

Upcoming Industry Events

Save The Date!

ISTAT EMEA

October 4-6, 2020 Istanbul, Turkey assets.

The big question from our perspective as a storage and disassembly facility is how long will these aircraft be parked? Short term, I see the narrow-bodied aircraft like the A320 and B737NG being sold for disassembly but not at the speed that we have been accustomed to over recent years. However, the widebody sector is another story. We have all seen major airlines like British Airways, Virgin Atlantic and Qantas all retire their B747 fleets with more to come. Of the 40+ aircraft already at our facility, we have 14 x B747 aircraft parked awaiting their fate. With cargo operations continuing there will be some demand for spares but certainly not at the levels some of our members have experienced in recent years. Yes, some of these assets will be disassembled and disposed of in the coming months but my big question is how many wide body assets will sit parked not just at our facility but globally for potentially years to come? Like many things this pandemic has brought, it is simply unknown!

On behalf of the Board of Directors and AFRA staff, we wish you health and prosperity over the coming months and I cannot wait to be on my travels again meeting up with many of our member in person.

Best regards,

James Cobbold AFRA Secretary

Association News

Formation of New Membership Committee Announcement!

AFRA recently approved the formation of a Membership Committee. The primary function of the AFRA Membership Committee is to provide strategic guidance to aid in creating member value and assisting with the recruitment, retention and growth of AFRA. This is done with the vision of providing AFRA members with the requisite knowledge, values and services to elevate the value and understanding of AFRA membership. In addition to being advisory in function, the committee will provide staff and Board leadership with the additional data necessary for strategic decision making, as well as increase AFRA's ability to complete relevant initiatives and tasks more efficiently. The AFRA Membership Committee is a member-only benefit. Please email AFRA Staff if you are interested in joining the 2021-2022 Membership Committee as a member.

MRO TransAtlantic 2020

October 27-29, 2020 Virtual Event

AFRA Advertising Opportunity

AFRA is offering the chance to advertise your organization's products, news, and projects on the AFRA website and in newsletters! Advertisement includes your company's information on a page of the AFRA website and the opportunity to showcase your organization in one of the monthly newsletters. Please contact **AFRA** staff for pricing and additional details.

AFRA Members Only Website Resources

Don't forget to visit the AFRA Website to view the Members Only section, where you can find additional resources and updates offered only to members! Please contact staff with any questions regarding access or content.

Growing Our Social Media Footprint

Please let us know about your company's Facebook, LinkedIn and/or Twitter profile. Follow AFRA and share our news that you think might be interesting for your followers - we will of course do the same with your messages!







ASA-AFRA 2021 Annual Conference Announced!

While it was unfortunate that we could not all meet in person for the 2020 ASA-AFRA Annual Conference, get ready to book July 18 - July 20, 2021 in your calendars. Planning is already under way by ASA and AFRA for the 2021 Annual Conference. For more information, please contact **AFRA** staff.

Membership Discount

Beginning in 2020, we are happy to announce new discounts for membership! Any current member of AFRA who refers a new paying member to AFRA will receive a 20% discount to their next year of membership. For membership information or questions please reach out to AFRA staff.

Remanufacturing Codes

As AFRA supports the the recycling and remanufacturing of decommissioned aircraft, we also support general remanufacturing in all industries. This is why we have joined a handful of other organizations in asking the Office of Management and Budget to consider adding codes specific to remanufacturing to the North American Industry Classification System code structure. Please see the letter <u>here</u>.

AFRA Webinar: COVID-19 Mid-Life, or now **End-of-Life?**

Did you you miss our panel discussion on the current state of the industry or want to view it again? AFRA has posted the video on its News & Events page for public viewing. See the page to view the video <u>here</u>.

Committee Updates

AFRA BMP Development Committee

The BMP version 4.0, which took effect on April 18, 2019, was shared with accredited members and can be found on AFRA's website. To get involved with this Committee, please contact staff.

AFRA Communications Committee

The committee thanks everyone for their participation in the General Assembly. If you are interested in getting involved with the Communications Committee, please contact staff.

AFRA R&D Committee

The R&D committee is open to any AFRA member and all are welcome to participate in the next committee call on October 7. R&D Committee calls take place monthly, on the second Wednesday of every month. The committee is currently working to finalize the KPIs from the 2019 project into the AFRA BMP Guide. To get involved with the R&D Committee, please email AFRA staff.

To continue to receive AFRA Announcements and to update your communication preferences, please do so by *clicking here*.

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