



IATA, CFM INTERNATIONAL SIGN PRO-COMPETITIVE AGREEMENT ON ENGINE MAINTENANCE

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The International Air Transport Association (IATA) announced that it has entered into an agreement with CFM International (CFM) that will lead to increased competition in the market for maintenance, repair and overhaul services (MRO) on engines manufactured by CFM, a 50/50 partnership between GE and Safran Aircraft Engines.

“Airlines spend a tremendous amount of money on the maintenance and repair of aircraft and engines to ensure we are always operating to the highest levels of safety and reliability. This milestone agreement with CFM will lead to increased competition among the providers of parts and services related to the servicing of CFM engines. We expect increased competition will reduce airline operating costs and help to keep flying affordable. And we hope that this agreement will be an example for other manufacturers to follow,” said Alexandre de Juniac, IATA’s Director General and CEO.

Under the agreement, CFM has adopted a set of “Conduct Policies” that will enhance the opportunities available to third-party providers of engine parts and MRO services on the CFM56 and the new LEAP series engines. Among the many elements of the agreement, CFM has agreed to:

- License its Engine Shop Manual to an MRO facility even if it uses non-CFM parts
- Permit the use of non-CFM parts or repairs by any licensee of the CFM Engine Shop Manual
- Honor warranty coverage of the CFM components and repairs on a CFM engine even when the engine contains non-CFM parts or repairs
- Grant airlines and third-party overhaul facilities the right to use the CFM Engine Shop Manual without a fee
- Sell CFM parts and perform all parts repairs even when non-CFM parts or repairs are present in the engine

The agreement includes specific provisions ensuring the implementation of CFM’s commitments with regard to CFM56 series engines which power some 13,400 single-aisle aircraft flying today. CFM has, however, committed to apply the agreement to all commercial engines produced by the company, including engines in its new LEAP Series. GE, moreover, has agreed to apply the Conduct Policies to other commercial aircraft engines that it produces in its own right.

Beneficiaries of the agreement include IATA, CFM’s airline customers, aircraft lessors, third-party MRO facilities and parts manufacturers.

Based on the agreement, IATA has withdrawn a formal complaint it filed with the Competition Directorate of the European Commission in March 2016.

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