Aircraft Warranty Claims

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1. Essential Documents.

The purchase of the aircraft is the result of a mutual agreement on the terms of purchase, including warranty and guarantees. Obtaining a basic understanding of the aircraft contracts and warranty benefits will strengthen knowledge and help with the process of filing claims.

It is crucial that the warranty rights have been assigned correctly to the organization intending to submit warranty claims. Boeing will only recognize and accept claims from the organization that they have on record as contractually possessing warranty rights.

Where are the Warranty Terms located?

The aircraft warranty terms Tui have signed up to with Boeing are described in The Product Assurance Document which is found as Exhibit C of the Aircraft General Terms Agreement (AGTA) of the aircraft Purchase Agreement (PA). The warranty for Boeing spare parts and services is found in the Customer Services General Terms Agreement. Request to view these documents, it is important to know what warranties have been agreed as Boeing and their suppliers will work to these.

In addition to the Boeing warranty terms, components provided by other suppliers have their own individual warranties. Parts not manufactured to Boeing's design are warranted by the OEM.

Note that Boeing does not administer or manage any supplier/OEM warranties. The responsibility is with Tui to submit claims directly to the supplier, this includes claims for BFE, SPE and power plant.

Details of Supplier warranties are found in the Product Support Assurance Agreements (PSAA). The PSAA establishes the minimum level of support from Boeing suppliers in the area of product support, spare parts supply, component reliability guarantees, supplier accountability, and warranty.

Each Supplier PSAA document can be found on My Boeing Fleet in the In Service Support/Supplier Contracts section and can be searched by name or CAGE code.

Fig 1 - My Boeing Fleet. Supplier Customer Support Section.
**Engine Warranty & Guarantees**

**GENx & Leap**

Warranty relating to GE and CFM engines can be found in the manufacturers own Warranty & Guarantee Program document within the corresponding GTA’s.

In addition to the Warranty & Guarantee Program, there are special guarantees described in Letter Agreements to the GTA which cover specific events for example Fan Blade Guarantee, FOD Guarantee, TAPS Combustor Guarantee.

Warranty relating to supplier LRU parts fitted to engines can be found in the Controls and Accessories Supplier Product Support Summary which can also be found in the relevant Engine GTA.

Whereas Boeing provide operators with access to each of their supplier documents (through the PSAA’s in My Boeing Fleet as described previously) the engine manufacturers supplier information is summarised in one document. This includes the offered warranty life by part number or by supplier and also includes departmental contact details for each Supplier.

**BFE, SPE Equipment**

Warranty details for equipment selected and purchased by Tui for example passenger seats or galley inserts will be documented in the warranty section of each relevant contract that Tui have entered into and agreed with each chosen supplier.
2. Sourcing potential claim data.

i) Using AMOS to source potential claims.

Work order Information System – APN: 1

Airframe, Engine and Component Defects

Details of all unscheduled defects and part replacements recorded on work orders can be found on this screen and reviewed for potential warranty defects. There are many options to filter the information for example, select a specific aircraft, between specific dates, only closed work orders, only unscheduled maintenance work orders or search for certain part descriptions or specific text. It is also possible to transfer the data to an excel spreadsheet to be worked on if preferred.

Clicking on an individual line will open the corresponding work order to view and obtain parts used and man hour information.

Fig 2 - AMOS Work order Information System – APN: 1
Modification Activity APN: 640

Airframe, Engine and Component Service Bulletins and Service Letters.

AMOS screen APN 640 (Modification Activity) displays all embodied modifications within a selected time period or selected aircraft. Information can be filtered by aircraft type or individual aircraft by registration and by aircraft only or component only service bulletins/service letters.

The Mod Activity screen can also show only those service bulletins that have warranty remedies. Note this is reliant on the SB being loaded in APN 63 (see below) with warranty labour and materials boxes already checked (these are found in the Cost Estimates field under the More Info tab).

Alternatively, to check for available warranty remedies in a service bulletin use APN 63 to link directly to the service bulletin and see the remarks in the Industry Support Statement for confirmation of remedies if available.

Fig 3 - AMOS Modification Activity APN 640
View/Edit Modifications APN: 63

APN 63 can be used to view the modification status of affected aircraft and provides embodiment details that will be necessary for a warranty claim. For example, clicking on the corresponding work order will open the work order to obtain man hours, additional parts used, completion dates etc.

Fig 4 - AMOS View/Edit Modification APN 63
(ii) Other Sources of potential Warranty data.

**Boeing Program Letters**

Program Letters (PGM) offer material and financial remedies which are beyond Boeing’s contractual obligation. New Program Letters are automatically distributed by Boeing and a list of all Program Letters can be found in the Warranty Section in My Boeing Fleet under Reports. They are SB related, and work carried out can be reclaimed through MyBoeingFleet.

**Airplane Delivery Exception/Commitment Letters**

Delivery Exception and Commitments are agreed to by Boeing and the operator at the time the aircraft is delivered. This Commitment Letter authorizes Boeing or Boeing supplier to provide reimbursement for the labour, materials, and or services used to correct the condition on a specific aircraft. Commitment Letters are contained within the aircraft delivery documents. Note that some offers may expire if not claimed within the stipulated time.

**Engine Commercial/Commitment Letters**

Provided by CFM and GE the purpose of a Commitment Letter is to offer enhanced support over and above warranty remedies for specific engine related problems. This support can be financial, free of charge or discounted spares parts or both. Typically any reclaims for reimbursement are requested by the manufacturer to be submitted through their warranty claim portal.

**GE & CFM Letter Agreements**

These form part of the engine GTA, Letter Agreement No5 for GE and Letter Agreement No1 for CFM. These Agreements describe various agreed engine guarantees that are available. For example TAPS Combustor Guarantee, Fan Blade Guarantee, Oil consumption, Remote Site Removal.

**Boeing Lump Sum Credit (737ng) as per M-1151-ALL-PGM-179**

The Lump Sum Credit is described in Boeing Program Letter M-1151-ALL-PGM-179. This offer is available to help reduce the administrative burden of submitting multiple claims following a C check heavy maintenance input. Boeing will provide a fixed pre-determined amount in the form of a single lump sum payment for every aircraft in warranty at the time of the maintenance input that meets the criteria described in the Program Letter.

**Labour & Shipping Costs**

This is reclaimable from Boeing and Boeing suppliers for all repaired parts that have had warranty accepted. If warranty accepted the supplier should return the part at their cost Tui can then claim the outbound shipping costs and removal reinstallation man hours. Shipping invoices will be required. Confirmation of supplier terms can be found in the PSAA.
Service Life Policy – Boeing

The SLP provides remedies for specific covered components of the aircraft structure that fail during normal service. This policy provides reimbursement for a replacement part using a calculation that is based on the age of the covered component at the time the failure is discovered. The parts covered by SLP are primary structural elements of the landing gear, wing, horizontal and vertical stabilizers, and fuselage.

The list of covered components is included in the Purchase Agreement (Supplemental Exhibit SLP1). The Policy period for components initially installed on the aircraft is 12 years for 737 and 15 years for 787 aircraft. It also applies to parts purchased from the date of delivery of the part.

First Look Inspection. 787

The standard warranty period for a 787 is 48 months from delivery, in addition to this for Boeing products installed at delivery but not inspected during the initial 48 months, the warranty period will continue until the date of the first inspection of the part iaw the AMP. But only up to 12 years from delivery of the aircraft.

No Fault Found Test Fees

During the warranty period or in some cases longer, Tui will not be charged for test and recertification costs for parts returned for correction for which the supplier is unable to confirm the failure claimed. Provided correct testing instructions were followed and fault notification from the CMC, EICAS or BITE has been or can be provided to the supplier to substantiate the reason for removal.
3. Submitting Warranty Claims

i) Boeing Claims

To prevent claims being delayed or rejected as much information as possible should be provided plus any relevant supporting documents. At a minimum, claim information should contain that defined in the Claim Information section in the AGTA, this is what has been agreed contractually. Using the Boeing Warranty claim template to submit claims in the Warranty section of MyBoeingFleet will cover most of the required information, any additional information and supporting documents can be attached to the claim. This level of information ideally should apply to any claim not only Boeing.

6.2 Claim Information.

6.2.1 Claimant is responsible for providing sufficient information to substantiate Customer's rights to remedies under this Exhibit C. Boeing may reject a claim for lack of sufficient information. At a minimum, such information must include:

(i) identity of claimant;
(ii) serial or block number of the aircraft on which the defective Boeing Product was delivered;
(iii) part number and nomenclature of the defective Boeing Product;
(iv) purchase order number and date of delivery of the defective spare part;
(v) description and substantiation of the defect;
(vi) date the defect was discovered;
(vii) date the Correction was completed;
(viii) the total flight hours or cycles accrued, if applicable;
(ix) an itemized account of direct labor hours expended in performing the Correction;
(x) an itemized account of any direct materials incorporated in the Correction; and
(xi) for 7E7 model aircraft, the name and revision level of the AMS that documents the required inspection and the specific reference to the inspection requirement contained therein.

6.2.2 Additional information may be required based on the nature of the defect and the remedies requested.

Fig 5 – Claim Information as per Exhibit C (787)
Claims to Boeing can be submitted through MyBoeingFleet using the Warranty Claims section below. On this page there are not only several claim submit options but also some useful links to warranty data for example, an email link to the Boeing Regional Manager responsible for TUI warranty, Program Letters, current Boeing Labour rates, current Lump Sum rates and more.

Most useful is the MyBoeingFleet Online Warranty Training Manual. Found under ‘Useful Downloads’ on the Warranty Claims main page it covers in detail how to submit a claim and what the various claim options mean. Completing a claim form on this page should be straightforward however, the training manual will provide additional explanation and help in understanding the different claim descriptions, formats and terminology.

The only Boeing claims that cannot be submitted through MyBoeingFleet are claims relating to labour and shipping costs for Boeing parts that have been repaired or replaced under warranty by Boeing repair facilities (eg Dallas or Amsterdam). Claims to these facilities need to be submitted directly to the relevant facility.

Fig 6 - MyBoeingFleet, Warranty Claims main page.
ii) Supplier reclaims.

Returning parts for warranty repair.

Airframe and Engine.

Identifying which supplier a part should be returned to can be achieved by referring to the aircraft IPD (787), AIPC (737NG) in Boeing Toolbox, searching on the part number will bring up the page that includes the CAGE code which will link to the supplier name and address for that part.

More details on the supplier for example warranty contact details can be found in the Boeing PSSD (Product Support Supplier Directory).

The engine IPC for both GE and CFM will be found in the manufacturer technical documents section of the on line portal pages and further supplier contact information can be found in the Engine GTA, Product Support Summaries document.

Fig 7 – MyBoeingFleet Maintenance Documents Page. PSSD Location

Note that Boeing use ‘partners’ for some products as oppose to fully approved Boeing Suppliers. Boeing Partners do not have PMA approval and do not have Boeing authority to deal directly with the customer. In this case the part should be returned to a Boeing repair facility for warranty repair or replacement.

For all parts physically being returned to suppliers for warranty repair, stores/dispatch should raise a ‘W’ (Warranty) order which can then be tracked in AMOS. (See below APN 83)
iii) Supplier Reclaims (man hours, shipping and SB/SL).

If a supplier (airframe or engine) honours warranty on a returned part through FOC repair or replacement a follow up claim can be submitted to reclaim removal/refit man hours and also the outbound shipping costs (inbound shipping should be at the expense of the supplier if warranty is honoured). This type of claim and claims for SB/SL man hours and parts can be submitted directly to the supplier by email or through the Boeing Warranty Claim page above (Fig 6).

In the warranty main page in MyBoeingFleet opening the supplier claim page presents a claim form document similar to the Boeing claim template that can be completed and submitted electronically directly to the supplier preselected from the drop down list provided on the same page.

Note that Boeing only facilitate this option and will not be involved in administering or managing the claim. The responsibility to follow up on claims and manage the progress and communication is between Tui and the supplier. However, as with all Boeing supplier issues and in accordance with the PSAA Supplier Warranty Commitment, if problems are experienced enforcing supplier warranty Boeing will assist the customer in resolving the issue.

Reclaims relating to engine manufacturers SB or SL should be submitted electronically through the appropriate manufacturer’s warranty claim portal.

Claims relating to engine LRU suppliers should be submitted directly to the supplier as found in the Controls and Accessories Supplier Product Support Summary to the relevant Engine GTA.

AMOS Warranty Claim. APN 83

If a Warranty Claim document is required to back up a claim or for ad hoc claims this can be created in AMOS. This would not normally be required for claims that are being submitted electronically using a web portal. On AMOS page 83 opening the Warranty Tab will open the blank Warranty Claim page which can be populated with the elected supplier code, details of costs being reclaimed etc, full claim description and other relevant information can be added in the text field. AMOS will assign a claim number and the completed claim can then emailed directly to the suppliers warranty focal.

Fig 8 – AMOS Warranty Claim example.
4. Administration.

i) Recording Warranty Data.

Details of each claim submitted should be recorded highlighting three main elements. An Excel spreadsheet is sufficient.

1. Claim details.

A unique Tui claim number, claim type (defect, SB, shipping) a/c reg, who the claim is to, part number, description etc.

2. Financial details

Showing each amount being claimed for material, man hours, shipping and same showing each agreed credit amount.

3. Reimbursement details.

Details of supplier reference/responses, credit invoice details and the date credit is received and processed with accounts.

ii) Warranty Budget code

An effective warranty process leads to successful claims and ultimately financial credit. This credit cannot be regarded as a source of profit, rectifying the original event is a cost to the business and the warranty credit should be allocated back to that event. Warranty credits should be viewed as a way to reduce maintenance costs.

Directing credits back to the source by using budget codes would require numerous codes to accommodate the various locations, aircraft types and engineering functions and is not very practicable. Therefore it should be the decision of the relevant finance manager to decide how to receive and show warranty credits.

Controlling credits efficiently provides visibility and a measure of warranty successes. It is also important as it provides validation of reported claims.
5. Internal Warranty Awareness.

It is important that engineers and engineering departments are aware of warranty and play their part.

For example, Technical Services engineers need to be aware of different Service Bulletin Industry Support Statements and their specific wording. There have been instances where fleet sets of high value mod kits have been ordered (excess of $200k) in the belief that they were all FOC under warranty when in fact only kits actually required to be installed were reclaimable. After inspections no kits were used, Boeing do not credit for unused kits.

Line and Hangar engineers should be requested not to dispose of removed consumable parts. Consumable parts should be retained for 30 days while a claim is submitted and in process, in most cases the supplier will request defective parts are retuned for examination. Not being able to return the part may invalidate the claim.

General awareness through poster campaigns, emails, face to face discussion should be regular to ensure that people know who to contact with warranty details or with any warranty related questions.