



Component Support for Ageing Aircraft

Dealing with the knock-on effects of next-gen aircraft delivery delays

By David Dundas

Those involved in the maintenance, repair or overhaul of ageing aircraft face a raft of different challenges when compared to those for current- and next-generation aircraft. The older an aircraft becomes and the closer it gets to retirement age, the more complex the decision-making process comes in relation to replacement parts. Is the aircraft likely to remain in service for six months or two years? Does it make better financial sense to utilise used serviceable material (USM) as opposed to brand-new original equipment manufacturer (OEM) or parts manufacturer approval (PMA) parts? Is it less costly to repair as opposed to replace a part? What does the previous MRO history look like and when the aircraft is finally retired, what will happen to it? Will it still have an intrinsic value for breakdown if inroads have been made into the backlog of new aircraft deliveries and there is a glut of older aircraft ready to flood the market with parts?

You then have the operating challenges of having to manage inventories for both ageing and new aircraft, those challenges not just being a case of finding the space but also finding the money as we all know aircraft parts are frighteningly costly. That then begs the question as to whether component pooling is a financially

astute option and where else you can find opportunities for cost savings for component support. We had many more questions we wanted answers to from our group of industry professionals, including how to avoid tying up excessive capital in spare parts and one we were very keen to read the answers to: "If you could redesign the component support model for ageing aircraft from scratch, what would you change to make it both more resilient and more cost-effective?"

Many commercial aircraft are remaining in service longer than originally planned. How is this changing the way operators approach component support?

Extended fleet lives have shifted component support from a reactive necessity to a strategic priority. Companies are still seeing production constraints on new aircraft and delayed deliveries, so operators are keeping their legacy platforms such as the A320ceo and B737NG flying well beyond their originally planned service lives. An ageing fleet drives increased levels of removals which in turn impacts supply and demand, vendor performance, increases

repair costs, and increases the level of inventory required to support the operation. Simon Merriott, SVP Customer Service, AJW Group further explains: "Operators are no longer able to hold sufficient stock, either because demand outweighs available supply or because they lack the balance sheet capacity to fund additional inventory. Instead, they are turning to partnerships with companies like AJW who offer component support agreements. The airlines are focusing on financial liquidity and controlling maintenance costs while still delivering a reliable service to their customers. Integrated solutions such as AJW's Power-By-the-Hour (PBH) programmes are increasingly attractive, giving operators predictable cost structures and guaranteed access to component support without the capital burden of extensive inventory."

Which component categories are becoming the most difficult—or most expensive—to source?

One of the problems with older aircraft remaining in service is the knock-on effect of a reduction in teardowns – in other words, a potential shortage of



Simon Merriott, SVP Customer Service, AJW Group

spare parts. While certain mitigating strategies can alleviate this problem, it can't cover all eventualities, especially if a part that requires replacement was not part of a scheduled maintenance programme. Simon Merriott tells us that: "The greatest pressure sits with a relatively small number of critical, high-demand parts rather than across the board. In our experience, it's a concentrated group of components, the ones in genuine market shortage, that command the highest prices and the longest lead times, while the broader inventory pool remains comparatively accessible." He then further expands: "Rotables and components tied to constrained engine programmes are among the hardest to source. Compounded by increased spares pricing this has complicated repair cycles and affected Beyond Economic Repair (BER) ratios. As legacy fleets are worked harder for longer, demand for these critical parts continues to outstrip supply, which is why strategic inventory placement and forecasting have become so important."

Where do you see the greatest opportunities for cost savings in component support for ageing aircraft?

In such a financially competitive environment, cost (not corner) cutting and potential to make savings are high up on everyone's agenda. With the digitalisation of many aspects of this industry sector helping to reduce costs, it could be tempting to enjoy the fiscal benefits, but there will always be room for further improvement. The opinion of Phoebe Stone, Director - Sales & Product Lines, APOC Aviation suggests that: "The greatest opportunities for cost savings in component support for ageing aircraft lie in offering operators a reliable exchange service. By exchanging an unserviceable part for a serviceable one, airlines reduce their need to purchase outright replacements, while a single asset can be rotated across multiple customers to maximise return on investment for the supplier. Beyond exchanges, APOC is able to support meaningful savings through close review of a customer's ageing fleet to identify components with high removal rates, as well as those with low repair costs and low scrap fees to proactively repair ahead of time, reduce the likelihood of any high-cost AOG events and keep overall spend down." Meanwhile, Simon Merriott has his eyes firmly fixed on USM and smart strategic thinking as a major source of cost saving. "The biggest opportunities come from advanced inventory management and the strategic use of USM. Holding the right stock, rather than simply more stock, is where real value is unlocked, because capital tied up in slow-moving inventory quickly erodes margins. USM and selective use of PMA/DER where appropriate, are central to this as they offer an immediate, cost-effective alternative to the struggling OEM supply. They can reduce AOG

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risk while helping operators manage maintenance budgets and carry the added benefit of supporting sustainability goals. Beyond that, PBH-style support programmes convert unpredictable capital expenditure into manageable operating costs, and data-driven forecasting, through tools such as AJW's in-house optimisation platform, Apollo, enables us to pre-position parts ahead of known requirements thereby helping operators drive down the cost of supporting ageing aircraft," he tells us.

How has the business case for repair versus replacement changed in recent years?

Repair or replacement is a constantly asked question when referring to aircraft part, with such factors as cost comparison, structural limits, availability, regulatory rules, lease agreement terms, the relevance of LLPs and history of reliability. Add in the age of an aircraft and likely lifespan, and that question becomes even more difficult to effectively answer. When one then adds a lack of consistency – an aircraft part can be in short supply one month and therefore likely more expensive, then three months later that shortage could disappear. We



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wanted to know if there had been any longer-term identifiable trends connected to this debate in recent years.

Simon Merriott and Phoebe Stone are of like mind on this topic. "The economics have shifted considerably. With new piece parts subject to extended lead times and ongoing production bottlenecks, repair has become an even more appealing option. The rise in piece part pricing during the post-pandemic recovery has impacted BER ratios. Sustainability efforts have also come into play. Repairing and reusing components reduces waste and lowers the environmental footprint associated with manufacturing new material. The result is that repair-versus-replacement is no longer a purely cost-driven decision; it's a balance of cost, lead time, availability, and sustainability," says Merriott. Stone backs this up with her own take on the question. "The business case for repair over replacement has shifted considerably in recent years. With many commercial aircraft remaining in service far longer than originally planned, the components on older fleets require increased maintenance, driving higher demand for repairable and used serviceable material (USM), a trend we at APOC continue to see across our customer base. Repairing these components carries lower costs and extends their life cycle, improving the overall return on investment for the asset. There is also a clear sustainability benefit, as reusing and conserving material reduces waste and extracts the fullest possible value from each part. Perhaps most significantly, replacement components now face lengthy lead times from OEMs, and discontinued

parts can cause further delays for operators. Having repaired rotatable components readily available for our customers reduces downtime and has become a key driver in resolving AOG situations," she explains.

What factors determine whether a component should be repaired, overhauled, exchanged, or replaced?

Whether you are dealing with ageing or relatively new components, the decision shouldn't be driven by repair cost alone - you must look at the total value over the remaining life of the aircraft. That means considering technical condition, reliability, turnaround time, future supportability and, increasingly, the risk of obsolescence. Andre op't Hof, Commercial Director - North America MRO Operations, Ontic MRO then tells us more: Therefore, a lower-cost repair today isn't necessarily the right decision if it creates uncertainty tomorrow. At Ontic, we look at every decision through the lens of 'a lifetime of flight.' Our role is to help ensure that critical components remain available and supportable for as long as the aircraft continues to operate."

According to Kevin Rimmer, Director of Operations, NEACO, a Jet Parts Engineering company, "The objective is not simply to return a component to service, but to maximise on-wing reliability and minimise future removals." He then goes on to say that: "The decision should be driven by reliability and lifecycle value, not just the immediate discrepancy. Key considerations include:

- **Operating Environment:** Exposure to heat, vibration, moisture, contamination, or harsh operating conditions can significantly impact reliability.
- **Time-in-Service:** Components nearing major maintenance thresholds may justify an opportunistic overhaul rather than a limited repair.
- **Historical Reliability:** Removal trends, repeat failures, and fleet data often provide a better indicator than a single inspection.

• **Rogue Unit Management:** Chronic-failure units should be evaluated for upgrades, DER repairs, PMA alternatives, or replacement rather than repeated repairs.

• **Supply Chain & Material Availability:** For aging fleets, repair turnaround time and parts availability are often just as important as technical condition."

For Andre op't Hof, Commercial Director - North America MRO Operations, Ontic MRO, it's all about balance and confidence. "No operator wants capital sitting on a shelf, but equally no one wants an aircraft grounded because a critical component isn't available. The answer is finding the right balance between inventory ownership and confidence in the support network behind it. That confidence comes from knowing there is a long-term commitment to maintaining repair capability, manufacturing where required and managing product availability throughout the life of the platform. Ultimately, operators invest less in contingency inventory when they trust that the supply chain will continue to support their fleets throughout the operational lifecycle," he concludes. Marko Niffka, Director Marketing and Sales EMEA & Asia, StandardAero looks at the situation from a different perspective, advising that: "Factors determining how a component is handled include the customer's own maintenance policy, for example whether the operator requires the use of OEM repairs only, or whether designated engineering representative (DER) solutions are allowed; the condition of the part; the question of whether replacement parts are available; and the comparative costs of the repair, overhaul, exchange and replacement options. The customer's fleet planning outlook for the associated powerplant, including whether the engine is causing an AOG event, will also be a driver."

At Vallair Group, Chief Commercial & Marketing Officer Pascal Parant feels that the question covers several topics. He explains: "First, why does a part enter this process at all? Simply because it has been



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removed from the aircraft. The reasons for removal may include failure, reaching its hard time limit, or an anticipated removal to avoid a much more expensive repair later on. The next consideration is whether the part is BER (Beyond Economical Repair). In other words, is there a cheaper solution than repairing or overhauling it? This may be because of special agreements with the OEM offering discounts that make purchasing a new part more economical than repairing the existing one, or because equivalent USM is readily available on the market at a lower cost. Repair or overhaul? Not every component needs a full overhaul. Sometimes a repair is sufficient, or only certain sub-assemblies need to be overhauled, making the overall shop visit much more economical. Engines are probably the best example. It is common to perform a core overhaul while the fan module or the LPT does not require a full overhaul. Optimising a shop visit, which can be extremely expensive, requires deep knowledge of both the engine and its components to select the most appropriate and cost-effective solution. Exchange is another option when the airline does not have the part in its own inventory or does not want to tie up cash in a very

expensive component. It is an excellent solution provided both parties clearly agree on the core return timeline, the BER threshold, the compensation mechanism if BER is declared, and the acceptance of the eventual overhaul quotation. Finally, a component may simply need to be replaced because of an Airworthiness Directive (AD), a Service Bulletin (SB), or obsolescence requiring installation of a newer standard."

Jelani Cain, Director of Repairs, Werner Aero LLC sees this as a case of having to consider multiple economic and operational factors. "An operator needs to consider the destination of the part to make an informed decision. If a part is going to be installed on a system with known reliability issues and a history of failing, the operator might request the component to be overhauled, even if the CMM only requires test or repair. If the operator has a time sensitive requirement and no additional stock, an exchange might be the preferred choice as they can quickly get the part they need while not having to wait for their original unit to go through the repair process. While they might pay more for the exchange unit than their core, exchanges help reduce delays and keep flights on time," he tells us. Meanwhile, Christopher Olds, Vice President, Materials

Group & Acquisitions at AerSale, Inc views the problem from the economics and time perspective. "How many cycles or hours does the part have left, what does repair actually cost versus buying a serviceable exchange unit, and how badly do we need the aircraft flying tomorrow rather than next week? On rotatables like landing gear, APUs, and nacelles, exchange usually wins — you're not gambling on a shop's schedule when a pooled or consigned unit is sitting ready. Reliability trend matters more than people give it credit for. MTBUR degrades as aircraft age, and a part that's being removed more often than it used to be is telling you something. At that point, another repair cycle is often just delaying the inevitable — exchange or replacement is the better economic call, even if the part is technically still airworthy. Shop backlogs and DER/PMA approval timelines factor in too, but those first two questions — cost and downtime risk — drive almost every decision we make," he says.

How can operators avoid tying up excessive capital in spare parts while maintaining high fleet availability?

The balancing act between holding enough inventory to be effective and efficient, but not so much as to create financial instability is a permanent challenge. The fact that OAG incidents are costly to carriers is an incentive to carry robust inventory, but not if you rather than the carrier shoulder all the financial risk. So what are the options available to MROs where tying up excessive capital is a current problem?

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Christopher Olds, Vice President,
Materials Group & Acquisitions, AerSale, Inc

"Stop buying what you can access instead," suggests Christopher Olds. He goes on to say that: "That's the whole shift. Exchange, pooling, and consignment give operators the material they need without the balance-sheet drag of owning it — which is exactly why we structured AerSale's USM business the way we did, with enough breadth across mainline platforms that customers can lean on our stock instead of their own. Leasing high-value rotables works the same way: it turns a capital expense into an operating one. Operators still underuse: matching spares strategy to fleet ownership structure. An owned aircraft and a leased one three years from return shouldn't be managed on the same inventory policy. If you know the return conditions, plan the material spend against the lease term — don't overhaul a part that's going back to the lessor before it ever needs that overhaul. Discipline saves real money. Location still matters. Assuming 24-to-48-hour shipping solved the geography problem — it didn't, not fully. For a true AOG, proximity still wins, and VAT and tariff exposure can quietly add cost and delay depending on where the part is coming from and what border it's crossing. The operators doing this well are thinking about part value, lease horizon, and geography together, not in isolation." Where Marlene Gonzalez, Managing Director, Cima Aviation, a Jet Parts Engineering company, is concerned, "The goal is to keep capital fluid without risking grounding the fleet. Operators can achieve this through a few key strategies:

- **Predictive Maintenance & Data:**

Instead of stockpiling "just in case" spares, use reliability data to predict failure rates. If

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you know a specific actuator typically fails around 8,000 flight hours, you can time your inventory acquisition right before that window opens.

- **Cross-Platform Component**

Applicability: Operators can reduce inventory investment by strategically aligning aircraft and engine platforms that utilize common components. By maximizing component applicability across multiple fleets, operators can support a broader portion of their operation from a shared inventory pool, increasing asset utilization and reducing capital tied up in spare assets.

- **DER & PMA Solutions:** Approved alternative repairs and parts can extend component life, improve availability, and reduce dependence on costly replacement assets.

- **Tiered Provisioning:** Classify inventory into three categories: Move critical, high-failure "No-Go" items close to the main hubs; place medium-risk items in regional centers; and rely on vendor-managed inventory or pools for low-failure, high-cost items."

Andre op't Hof mentions the balance between inventory ownership and confidence in the network behind it. "No operator wants capital sitting on a shelf, but equally no one wants an aircraft grounded because a critical component isn't available," he comments, adding: "That confidence comes from knowing there is a long-term commitment to maintaining repair capability, manufacturing where required and managing product availability throughout the life of the platform. Ultimately, operators invest less in contingency inventory when they trust that the supply chain will continue to support their fleets throughout the operational lifecycle." Marko Niffka also provides some useful options. "Partnering with a capable, large MRO with good technical capabilities and proven repair performance will help reduce customers to reduce their

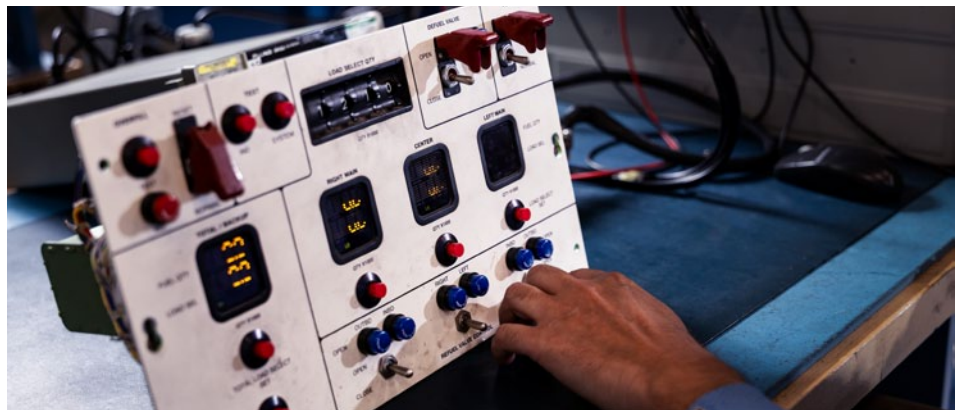
spare parts inventory. Obtaining access to used serviceable material (USM) and other material sources can also be helpful, whether via an MRO partner with in-house asset management capabilities or through other means," he advises. On the other hand, Pascal Parant is convinced that the solution lies in power-by-the-hour (PBH) programmes, though the actual strategy depends heavily on the maturity of the aircraft type and the size of the fleet. He further explains: "For new-generation aircraft, PBH is almost a no-brainer. These programmes generally include access to a shared component pool. Pooling is an excellent way to reduce capital expenditure by mutualising inventory across several operators. Pool access and PBH can be separated, although most providers prefer offering a complete package. For mature aircraft, the strategy may be very different. Vallair observes that some airlines deliberately choose to build their own inventory opportunistically, purchasing parts whenever attractive opportunities arise, knowing that many components are widely available on the market. They then focus their investment on the relatively few parts that remain scarce but are operationally critical."

Jelani Cain thinks along the same lines as Pascal Parant as he tells us that: "There are a few ways operators can maintain high fleet availability while avoiding excessive capital in spare parts. Many companies offer pooling, exchange, and power-by-the-hour programs as alternative to operators buying stock of expensive rotables to support their fleet. A power-by-the-hour program, or PBH for short, is where the operator has a contract where they agree to pay a predetermined rate based off the PN supported and the hours flown by the covered fleet. This helps operators several ways. One, they don't have to worry about administering the component repair with shop and focus their time on

other needs of the operation. This includes negotiating with shops, replacing per units, and making sure all AD/SB are complied with. PBH allows more predictable expenses for operators while eliminating the heavy investment of stock for all PN covered.” And to conclude this section, Christopher Olds has one simple solution: “Stop buying what you can access instead”. He then tells us in more detail: “That’s the whole shift. Exchange, pooling, and consignment give operators the material they need without the balance-sheet drag of owning it — which is exactly why we structured AerSale’s USM business the way we did, with enough breadth across mainline platforms that customers can lean on our stock instead of their own. Leasing high-value rotatables works the same way: it turns a capital expense into an operating one. Operators still underuse: matching spares strategy to fleet ownership structure. An owned aircraft and a leased one three years from return shouldn’t be managed on the same inventory policy. If you know the return conditions, plan the material spend against the lease term — don’t overhaul a part that’s going back to the lessor before it ever needs that overhaul. Discipline saves real money. Location still matters. Assuming 24-to-48-hour shipping solved the geography problem — it didn’t, not fully. For a true AOG, proximity still wins, and VAT and tariff exposure can quietly add cost and delay depending on where the part is coming from and what border it’s crossing. The operators doing this well are thinking about part value, lease horizon, and geography together, not in isolation.”



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What role does component pooling play in reducing costs?

“Component pooling is often one of the most cost-effective ways to maintain availability while minimizing cost however it can occasionally expose an operator to lower-standard units if the pool’s baseline reliability isn’t strictly governed.” Marlene Gonzalez goes on to explain further: “NEACO effectively mitigates this liability by establishing an elevated standard technical baseline regardless of operator. At the repair station level, implementing enhanced, reliability-gear work scopes and strict minimum part requirements across the board ensures that every asset cycling through the pool adheres to NEACO’s elevated standard.

Component Pooling Highlights:

- **Reduced Capital Investment:** Converts large inventory purchases into predictable operating expenses.
- **Immediate AOG Support:** Provides rapid access to serviceable assets during unscheduled removals and AOG events.
- **MRO-Backed Exchange Programs:** Delivers immediate asset availability while repairs are completed in parallel.
- **Inventory Optimization:** Gives operators access to inventory only when needed, reducing ownership costs.”

As can be seen previously, component pooling has been identified as a cost-saving

exercise in terms of providing access to sufficient inventory, primarily because it shares the cost of investment and repairs. Jelani Cain further tells us that: “Pooling programmes can be setup various ways to best support the pooling partners. Some are by location, i.e., they support a list of PN any time an operator flies into a specific station. This is especially advantageous for airlines that operate out of a lot of stations infrequently; they receive part support in case they need a component AOG or to clear a MEL while not having to invest in inventory at all of those locations. Some pooling agreements are even set up to minimise risk, i.e., if a contracted part isn’t available at allocation and an operator needs it AOG, the pooling agreement will cover the expense of a loan. Many operators find the benefits of being members of a good pool outweigh the cost and risk. As far as Christopher Olds is concerned, “Pooling works because it lets operators share risk that none of them wants to carry alone. One provider, serving multiple customers, needs far less total inventory than each of those customers would need individually — and that shows up directly in lower carrying costs and faster AOG turnaround. The decision operators face is exclusive versus general access. Exclusive pooling ensures priority when an AOG hits but with a cost for the priority, because it ties up capacity that would otherwise serve other operators. General access has reduced costs but comes

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with less certainty at the exact moment of need. We're also seeing a real shift away from nose-to-tail thinking. Operators are targeting pooling and exchange support at the specific ATA chapters — landing gear, APU's, hydraulics — that actually drive their removal activity, scheduled and unscheduled alike. That's not a coincidence; it tracks directly with where MTBUR erosion shows up first on aging fleets.”

Now here is a different perspective. “The biggest savings don’t always come from buying cheaper parts - they come from extending the useful life of the assets you already have.” Those are the sage words of Andre op't Hof. “Effective component support reduces unnecessary replacement, mitigates obsolescence and allows operators to continue flying aircraft safely and economically long after original production has ended.

Supporting components throughout their operational life isn't just good engineering; it's a more sustainable and cost-effective approach to fleet management,” he concludes, while Marko Niffka briefly states that: “Component pooling can help to address inventory costs for high-value items, albeit with the customer being required to accept the use of a component which is not theirs. As an alternative, by working with a large, capable MRO provider with competitive turn-around times (TATs) and strong yields can help mitigate the need to rely on component pools.”

If you could redesign the component support model for aging aircraft from scratch, what would you change to make it both more resilient and more cost-effective?

Now this question should produce some very interesting answers, so rather than keeping you waiting, let's cut to the chase.

Where Kevin Rimmer is concerned, he would “...create a more open and

competitive support environment that reduces dependence on single-source solutions and encourages engineering innovation.

- **Greater Component Standardization:**

Increase commonality and interchangeability across platforms to reduce inventory requirements and improve supportability.

- **Expanded Repair Development:**

Encourage greater use of DER-developed repairs and engineering-based life extension solutions that safely reduce ownership costs.

- **Improved Access to Alternative**

Solutions: Allow qualified engineering organizations and MROs greater opportunity to develop approved repairs, alternative materials, and reliability-driven modifications.

For aging aircraft, maintaining airworthy rotables economically and efficiently is challenging. Operators can combat this by embracing engineering innovation, approved alternative solutions, and proactive reliability strategies rather than relying on an “as needed” replacement-based maintenance model.”

“I'd move the industry away from thinking in terms of transactions and towards thinking in terms of stewardship,” suggests Andre op't Hof. He then continues: “Too often, support ends when production ends, even though aircraft may continue flying safely for decades. Instead, we need a model that recognises long-term parts stewardship as a core responsibility. That means preserving engineering knowledge, sustaining manufacturing capability, proactively managing obsolescence, and investing in the long-term support of critical components throughout their operational life. At Ontic, we believe in supporting parts “for a lifetime of flight” – that means that if we acquire established aerospace product lines, we take on responsibility for their long-term support, ensuring that operators continue to have access to the parts, expertise and engineering capability they need long after the original production



Andre op't Hof, Commercial Director - North America MRO Operations, Ontic MRO

programme has ended. It's a model that shifts the focus from end-of-production to end-of-life support, giving customers confidence that essential systems will remain supported for as long as they need them.” From another perspective, Marko Niffka comments that: “Ideally there would be more of a partnership approach between operators and MRO shops on the one hand, and parts repair providers on the other hand. Moving away from a purely transactional approach towards longer-term arrangements with large committed volumes could also help operators and their component providers to plan capacities and improve both commercial and technical performance (including repair yields and exchange availabilities).”

“If I can redesign the component support model for aging aircraft from scratch, there are a few changes I would make to make it more resilient and more cost effective,” says Jelani Cain. He goes on: “One, I would make tech documents for older aircraft free and more accessible 145s. If the FAA could implement some type of “sunset” rule where all CMMs are available to all 145's for free after a certain point of a fleet's life, i.e., when only 200 or less of that specific aircraft is still operating, it will make a big difference in the aftermarket.

Shops and operators currently must go to the manufacturer to get access to CMMs and often need to pay for it if they don't own an aircraft with that component installed. As fleets age and more aircraft retire, the demand for programs supporting them also decrease. The incentive for 145's to invest in equipment and tech documents



Marko Niffka, Director Marketing and Sales EMEA & Asia, StandardAero

is reduce along with their return on invest. This sometimes leads to the manufacturer being the only option for component repairs which might lead to excessive lead-times and expenses for the operators. If 145's that already have the benches, manpower and experience to service a component, having free access to CMM's would increase the number of shops with capabilities, increasing competition and give operator's more choices and better prices."

Christopher Olds suggests that we should "Stop treating teardown, repair, and distribution as three separate businesses run by three separate providers with three separate sets of incentives. Place them under one structure, working from the same data, and inventory decisions, repair routing, and customer demand all start informing each other in real time instead of operating in silos. That's the direction we've taken AerSale — pairing our teardown pipeline with MRO capability so a part's entire lifecycle is managed as one continuous process, not a handoff." He goes on to say that: "Tailored network regionally, deliberately, rather than around a single hub that looks efficient on a spreadsheet. Shipping is fast now, but proximity still matters for genuine AOG events, and VAT

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and tariff jurisdictions can erode the benefit of a fast shipment if the part's crossing the wrong border. Layer in demand forecasting built on MTBUR trends and ATA-chapter-level removal data, so the chapters driving the most activity — gear, APUs, the usual suspects on aging fleets — are anticipated rather than chased after the fact. Last piece: expand pooling and exchange infrastructure into the markets that don't have it yet, where support is still fragmented and heavily OEM-dependent. Build all of that together and you establish support that's actually built for how aging aircraft behave."

Sometimes MRO decisions are based on the actual plane and the model. Pascal Parant has focused in particular on the A320, which if nothing else, makes one wonder where all that time has gone as the first units that came off the production line in 2010 and would now be classed as an 'ageing aircraft'. To conclude this article, he advises that: "Once an aircraft type has been in service for around 15 to 18 years, I would progressively move away from full PBH coverage toward lighter pooling arrangements while taking advantage of the increasingly liquid USM market. At that stage, I would build my own inventory at a much lower acquisition cost and optimise the repair-versus-replace decision whenever a component is removed. The A320neo, particularly those powered by the GTF, is a very interesting exception. More than 25 aircraft have already been parted out to generate USM, something we at Vallair

had never seen so early in an aircraft programme. This is largely the consequence of the well-known GTF issues.

Aircraft values increased dramatically, while AOGs caused by engine problems forced lessors to rethink their strategies. Faced with uncertainty over engine availability, soaring engine values, and strong demand for both engines and airframe material, many owners realised they could generate greater returns by parting out aircraft than by continuing to lease them.

As a result, we have seen a significant volume of USM becoming available less than 12 years after the aircraft entered service, which is highly unusual. Even in that environment, I would still favour a PBH solution for the A320neo, while negotiating pricing to reflect the growing availability of USM and reduce the associated capital costs. I would not, however, switch to a pure time-and-material model. Inventory acquisition costs for the neo family remain far too high today to make that strategy economically attractive," he advises.



Pascal Parant, Chief Commercial & Marketing Officer – Vallair Group

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