AIR CHARTER SAFETY FOUNDATION

Statement of

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Air Charter Safety Foundation

before the

Subcommittee on Aviation

Committee on Transportation and Infrastructure

U.S. House of Representatives

Hearing on

Federal Aviation Administration Oversight of

On-Demand Aircraft Operations

March 17, 2010

2167 Rayburn House Office Building
Washington, DC

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Chairman Costello, Ranking Member Petri, and Members of the Subcommittee:

Thank you for this opportunity to appear before you today to discuss the Federal Aviation Administration's (FAA) oversight of on-demand aircraft operations.

INTRODUCTION

My name is James K. Coyne, and I am president of the Air Charter Safety Foundation (ACSF). The ACSF, founded in 2007, is a 501 (c)(3) non-profit foundation established to improve the safety of the air charter and shared aircraft ownership operations. The ACSF vision is to enhance the safety and security of air charter and shared aircraft ownership providers in the United States and worldwide. Through research, collaboration and education, the ACSF advances charter industry standards and best practices, promulgates safety, security and service benchmarks, and promotes the universal acceptance of safety management systems. The ACSF also provides accurate and objective information about air charter providers as one of the most important and versatile public transportation resources. ACSF members include Part 135 certificate holders, OEMs, brokers, insurers, customers, airports, and safety professionals.

IMPROVING THE SAFETY OF OPERATIONS

Since inception of the organization in June 2007, the ACSF has made great strides to improve the safety of operations. Such accomplishments include the following programs:

ACSF INDUSTRY AUDIT STANDARD, REGISTRY, AND AUDITOR TRAINING

The ACSF, with the cooperation of leading charter operators, fractional program managers, charter brokers, corporate charter customers, and aviation auditors, developed the ACSF Industry Audit Standard (IAS) that comprehensively evaluates both an operator's safety management system and its Part 135 regulatory compliance and fosters a corporate culture of continuous safety improvement.

The ACSF does not conduct the audits. Instead, it trains auditors on the ACSF IAS, and oversees these approved individuals as they perform the actual audit function. To date, 24 audits have been conducted with another 28 being performed in 2010. An online registry has been created, including the contact, fleet, and safety details of any operator who has successfully completed the ACSF IAS, that is available free of charge to the public to facilitate verification of an operator's IAS registration.

AVSiS

The ACSF also released AVSiS, or Aviation Safety Information System, a software program for, and available at no charge to, the on-demand and shared aircraft ownership industry that addresses the need to maintain a constant watch for emerging safety issues within their operations. AVSiS is an Internet-enabled safety event and management system that collects detailed safety event data for analysis, response deployment and success measurement.

Safety Management System Compliance

The ACSF is also working aggressively to ensure that its members meet Safety Management System (SMS) standards established by the International Civil Aviation Organization (ICAO). SMS is a management system for integrating safety activities into normal day-to-day business practices and is designed to help organizations integrate a systematic risk-based and process-oriented approach to managing safety.

SMS is commonly described as having four "pillars" to its makeup: safety policy, including defined policies, procedures, and organizational structures; safety risk management, a formal system of hazard identification and tracking, analysis and risk mitigation; safety assurance, including internal audits and corrective action; and safety promotion, including establishing safety as a core value with training and communication that support a positive safety culture.

The ACSF IAS evaluates SMS on four maturity levels that correspond to the FAA and ICAO SMS framework, and each level details several sequential components that an operator must complete to have a fully implemented and functional SMS process. Additionally, the ACSF IAS concurrently evaluates an operator's regulatory compliance with on-demand and/or fractional ownership regulations.

Risk Assessment Check

The National Air Transportation Association (NATA), in collaboration with the ACSF, launched NATA RA Check, an online risk assessment tool that combines a highly comprehensive FAA-endorsed risk assessment tool with the automation necessary to make its use quick, easy, and accurate by fully automating the FAA-published Flight Risk Assessment Tool (FRAT), a worksheet-based tool designed to consider the probability, severity and weighted value of 38 leading accident causal factors. The FRAT is designed to identify potential hazards prior to flight and weigh the risk associated with each hazard through a five-step process. RA Check streamlines data-entry processes and provides further convenience as it is fully integrated with the Computing Technologies For Aviation Flight Operating System.

DOT IG Report on On-Demand Charter

The Department of Transportation (DOT) Inspector General (IG) released a report on July 13, 2009, titled "On-Demand Operators Have Less Stringent Safety Requirements and Oversight Than Large Commercial Carriers" that contained much factual information, but failed to present an accurate picture of the Part 135 regulatory environment.

The report cites numerous examples of differences between Part 135 and Part 121 regulations, but does not offer adequate explanation of the reasons for the variances. For instance, Part 121 is homogenous in regard to the type of aircraft and operations while Part 135 includes every possible mission profile and type of aircraft from a single-engine piston to a large cabin jet – the requirements are indeed different. The report fails to explain the wide-variety of aircraft included in this classification, such as helicopter EMS and off-shore work, single-engine piston-powered tour operations, just-in-time cargo carriers, and long-range international passenger-carrying turbojets. This variation presents a unique challenge when attempting to draw safety conclusions.

Other examples of the discrepancies in the DOT IG report are the Terrain Awareness and Warning Systems and In-Flight Weather aircraft flight instrument requirements, which are mandated for Part 121 but not for all operators in Part 135. The DOT IG claims that this is one of the least restrictive regulations of aircraft flight instruments for on-demand aircraft. However, no contextual information or explanation is given for why it might not be feasible to install such equipment in single-engine aircraft, which fly only in Visual Flight Rules (VFR) weather conditions.

Also, in an apparent effort to bolster an argument for adding a dispatcher requirement to Part 135, the IG attempts to assume the role of the National Transportation Safety Board (NTSB) by suggesting that if a dispatcher had been present, the 2001 crash of a Gulfstream III aircraft may have been averted. The ACSF is quite alarmed that the DOT IG, performing perfunctory review of accidents, believed it was more knowledgeable and qualified than the NTSB to be able to make this assertion. The primary cause of that accident, as determined following an extensive NTSB investigation, was operation of the aircraft below approach minimums in violation of the regulations. Pressure to land was listed as one of the six contributing factors. Assessing aircraft accidents, determining cause and suggesting procedural or regulatory changes to prevent similar future accidents is a role for which the DOT IG is poorly equipped, and it should be left to the experts at the NTSB.

AIR CHARTER DATA

The NTSB accident database shows that 26 of the fatalities in 2008 resulted from seven helicopter accidents. But there is no further analysis to put that particular fact into context. Knowing the helicopter accident rate would allow us to put into perspective the severity of the 2008 accident record. Currently, the NTSB cannot provide a Part 135 helicopter accident rate because flight hours are not tracked by aircraft type.

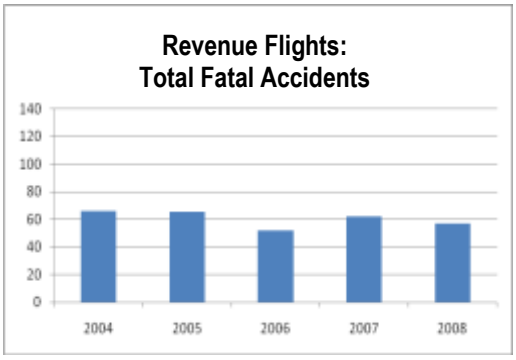
The current method for collecting Part 135 data produces a mixed picture. The ACSF agrees that an accurate understanding of the industry is necessary to address safety concerns successfully. Developing the ability to analyze accident rates by type of aircraft or mission would provide a far clearer picture than we have today. It would allow voluntary safety actions, guidance, oversight and regulatory initiatives to be directed at the areas where they are most needed, while permitting us to look to those operations with lower accident rates for possible best practices that can be more widely promoted and adopted.

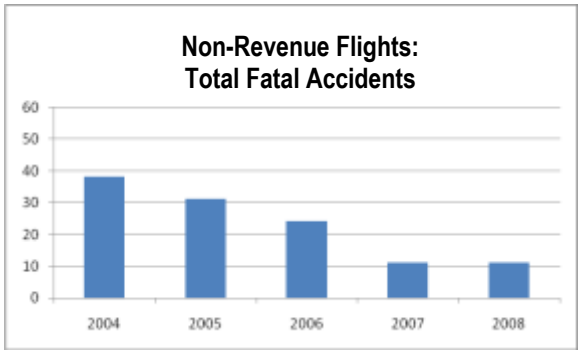
The NTSB released preliminary aviation accident data for 2007 that revealed there were no fatal passenger-carrying accidents involving jet airplanes being flown either by on-demand air charter operators or by shared aircraft ownership program companies.

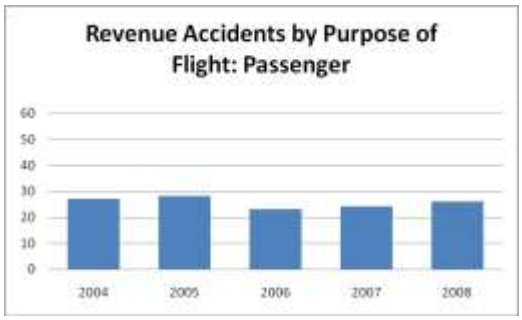
The ACSF compiled a report titled "Part 135 Accident/Incident Review," covering the years 2004-2008, to identify the flight purpose, weather conditions, and phase of flight for Part 135 on-demand charter-related accidents. The ACSF provided this report to the DOT IG as well as much basic information about the Part 135 industry. This accident/incident report is unlike others of its kind produced by the NTSB, FAA or other groups in that it determines the specific type of mission of each accident flight. Accident/incident information was obtained from the NTSB and flight activity data was obtained from the FAA, unless otherwise specified.

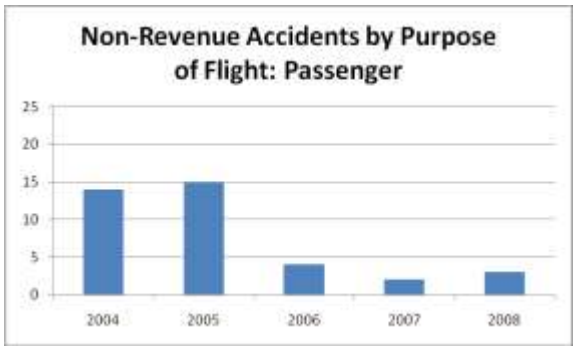
The report also includes a review of non-revenue flights associated with Part 135 operators. These flights include positioning legs, maintenance ferry flights, and instructional flights, to name a few. In order to be considered for this report, an accident had to occur on a leg of flight likely to be under the operational control of a Part 135 certificate holder. Accidents on flights related to Part 91 owner flights were not considered.

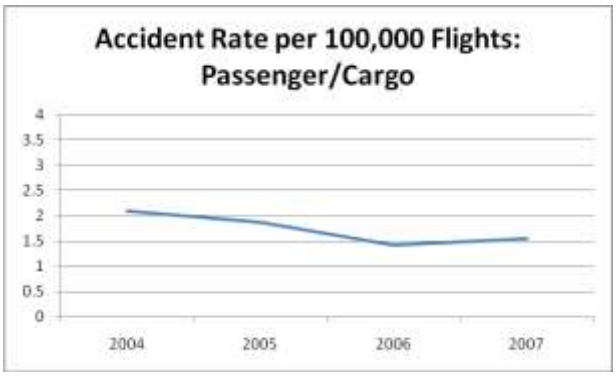
This study is a critical step toward identifying trends in Part 135-related accidents, including revenue and non-revenue flights. The identification of trends is crucial to focusing industry safety resources on higher-risk operations. Reports and narratives use inconsistent language, both within each agency and between the two agencies. More detailed reporting of purpose categories and establishing consistent language for both agencies for accident reporting would be very beneficial to the safety efforts of the government and industry.











Key factors that explain the improvement in Part 135 accidents:

- Rapid expansion in the use of glass cockpits, especially but not only in fixed-wing aircraft
- Introduction of ADS-B (Capstone in Alaska)
- Sustained expansion of business jets in Part 135 service
- Sustained expansion of turboprops in fleet and the near disappearance of reciprocating helicopters

The ACSF is committed to improving data collection and safety analysis for the Part 135 on-demand air charter industry. The ACSF believes that industry and government must work together to develop enhanced data collection tools that will permit the NTSB to develop a far clearer picture of the industry than is available today.

CONCLUSION

Part 135 accident rates have steadily improved in recent years. There were just two fatal accidents in 2009. Fleet trends and advancing technology promise continued improvements. The continued efforts of the FAA, NTSB and industry have made improvements to safety that have elevated it to the high level at which it stands today. This does not mean that there is no more room for improvement, work still needs to be done on VFR in weather; VFR in IMC; and continued airworthiness. The FAA's advancement of NextGen, SMS, and continual safety improvements in

standardization and the safety recommendations program are essential components in improving Part 135 safety.

Thank you for the opportunity to testify, and I will be happy to answer any questions you may have.