

Air charter industry growth requires a common standard, a unified voice



Embry-Riddle Aeronautical University's Scott Shappell, PhD, talks about expert decision-making. Upper right: Textron Aviation's Mike Graham, MITRE Corp's Jeff Mittelman and FAA AFS-280's Randy McDonald discuss the ACSF-ASAP program. Lower right photo shows NTSB Chairman Robert Sumwalt and ACSF President Bryan Burns.

By Bryan Burns
President, Air Charter Safety Foundation

The enormous growth of the charter aviation industry is unprecedented. Just this past July, the business data and market research organization, IBISWorld, reported that demand for nonscheduled air transport services has grown substantially since 2012, and is expected to continue apace over the next 5 years.

With current estimated revenues of \$23 billion and an annual growth rate of 2.3%, the charter industry is poised to continue growing unabated. What's more, ARGUS's "TraQPak" aircraft activity reporting tells us that, in 2017 alone, business aviation flights eclipsed 3 million for the first time since 2008. In particular, Part 135 flight activity was up 9% from 2016, and flight hours increased by 11.5% over the same period.

And, with the following comment, Alasdair Whyte, editor of *Corporate Jet Investor*, has set the stage for continued growth of the charter industry. He said, "The global population of people worth \$10 million or more is expected to increase by 41% between 2016 and 2025. These people may think they are not rich enough to buy their own aircraft, but they increasingly want to fly privately, forcing up the number of 1st-time users. This, coupled with improved technology and digital platforms, and more flexibility from private jet owner in terms of how they charter out their aircraft, is making private aviation accessible to more people."

So, of course, the prospect for improving safety in this burgeoning segment of the aviation industry has been a chief priority.

Tragic roots

To help shed some light on the criticality and importance of safety in this and any other aviation-related enterprise, a little history is in order—some of it unarguably tragic.

- On the morning of October 25, 1999, celebrity pro golfer Payne Stewart boarded a chartered Learjet in Orlando FL for what was supposed to be a routine flight to a golf tournament in Houston. Stewart and the others aboard were killed when the jet suddenly depressurized in flight and crashed.

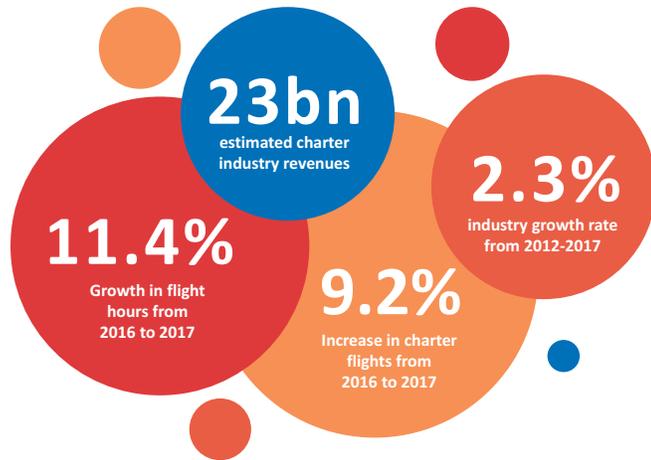
- In November of 2004, Dick Ebersol, the president of NBC Sports, barely survived a crash in a chartered jet. On board were Ebersol's sons Charlie, who also survived the crash, and Teddy, who tragically did not.

Although it's unfortunate that it often takes highly public deaths and injuries to spark attention and generate some corrective regulatory action, these and other incidents prompted the FAA to look much more closely at the flourishing charter flight industry. In the wake of these and other accidents, the FAA reached out to James Coyne, the President of the National Air Transportation Association (NATA), and told him in no uncertain terms: "Your industry better get its act together."

Air charter Industry statistics



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Since the ACSF launched its Industry Audit Standard (IAS) in 2008, 32 operators have completed and passed this onsite, 3rd-party audit. Sources: IBISWorld's July 2017 Charter Flights - US Market Research Report and ARGUS International's 2017 TRAQpak Business Aviation Aircraft Activity Review and the ACSF.

Thus, in 2006, the Air Charter Safety Foundation (ACSF) was born, founded as a 501(c)(3) non-profit with just a handful of members to chart its course.

Evolution of the ACSF

The ACSF was organized to provide programs to establish the highest levels of safety in personal and business

aviation. To achieve that goal, the ACSF wanted to provide a systematic approach for employees of on-demand charter operators, fractional program managers and Part 91 flight departments, with the objective of promptly identifying and correcting potential safety hazards.

The group got its start with a mere 20 members culled from the NATA. Since then it has grown exponentially, swelling 700% to include more than 160 aviation-related members.

As the ACSF's president these past 7 years, I can say unequivocally that the organization works diligently to accomplish our mission: To promote and facilitate strategically designed risk management programs; to advocate for the charter industry's adoption of a common audit standard; to disseminate pointed safety information; and to create additional programs that advance the goals of ACSF.

As we often say, "We work to protect what really matters by supporting the highest levels of safety."

Industry Audit Standard: A common standard

Over the years since ACSF's founding, one of the most significant challenges we've faced is developing a standardized safety measure by which all operators can be evaluated. In other words, "a common industry standard."

Our membership realized from its very inception that this would be among its most pressing goals. We also knew that one of the main hurdles to accomplishing that goal was the recognition of how diverse the charter industry is. Many operators have a very small number of aircraft in their fleet and, on the other hand, larger fleet operators have several. The charter operators fly passengers, cargo, or a combination of the 2. They have different agendas and modi operandi.

Thus, the ACSF membership was faced with the challenging, but necessary, task of developing a standard that could be embraced by all. So after some arduous efforts on behalf of the membership, what eventually emerged was the ACSF Industry Audit Standard (IAS).

Painstakingly developed with the input and guidance of leading safety auditors, charter operators, shared aircraft ownership companies, and charter consumers, the IAS is a revolutionary program built from the ground up by ACSF members. The IAS sets the standard for independently evaluating an air charter operator's and/or shared ownership company's safety and regulatory compliance. It was crafted to help reduce the substantial costs and redundancies associated with today's auditing environment—an environment in which operators are subject to multiple audits every year that consume precious time and resources.

One of the most important jobs the ACSF handles, as a nonprofit, is to serve as the de facto "keeper of the IAS standard." In addition to the standard itself, we provide guidance on how the audits should be conducted and what the operator should expect. Not only do we provide the standard, but we explain why each recommendation exists in the context of safety best practices and/or regulation. As such, we end up providing accreditation to 3rd-party experts who actually conduct the audits.

Since the IAS launched in 2008, 32 organizations have completed and passed the rigorous onsite, 3rd-party audit.



(L-R) ACSF Director Safety Management & ASAP Program Manager Russ Lawton, MS Management President Marti Smith, NATA Compliance Services Bailey Wong, ACSF ASAP Administrator Alyssa Sleight and ACSF President Bryan Burns.

Illusion of safety

It took yet another tragedy to spur an additional, more recent challenge to the charter industry and its safety standards.

In November of 2015, A Hawker 700 operated by Execuflight crashed after stalling during a landing approach at AKR (Akron OH), killing both pilots and all 7 passengers aboard (read report in *Pro Pilot*, Feb 2018, page 76). Upon completion of the investigation, NTSB Chairman Robert Sumwalt issued a February 2017 statement that was critical of the charter operator, the FAA and the charter industry at large. In his remarks, he shared that, "Those charter customers did not get what they expected or deserved... Their expectations were based on a house of cards that created an 'illusion of safety.'"

The following month at ACSF's Air Charter Safety Symposium, Sumwalt repeated his concerns about the "false sense of security" that ratings and assumed audits can give both operators and their customers. The ACSF was drawn into the controversy because, as I mentioned, our organization produces an industry audit standard which helps 3rd-parties audit charter organizations.

The Hawker 700 crash provoked further questions regarding industry-wide safety standards, and redoubled the ACSF's efforts to work together with commercial auditing organizations like Wyvern and ARGUS. Our goal is to develop a common industry safety standard to protect the traveling public as well as the crew members and organizations who serve them.

New initiatives

One of the ways that the ACSF is helping to advance the cause of safety for all is to establish and offer a full complement of safety-focused programs and initiatives that



NTSB Training Center Technical Officer Jill Demko provided attendees a briefing and viewing of TWA 800.



(L) ACSF Chairman & EJM Sr VP Dennis Fox and Honeywell Sr Manager Technical Sales Steve Gomez.

are available to virtually anyone in the industry.

These programs are designed to mitigate further accidents, crashes or tragedies of the very kind that gave rise to the ACSF in the first place. Selectively among them:

- ACSF Air Charter Safety Symposium. Each March, we bring in several keynote speakers to discuss challenges in our industry. The event has grown such that we now draw approximately 125 attendees each year.
- Illegal Charter Reporting Hotline. This toll-free hotline exists to enable operators and others to report suspected illegal commercial activity. Over the past 5 years, approximately 80 reports have come through this channel and been investigated.
- Aviation Safety Action Program (ASAP). In cooperation with the FAA, the ACSF offers ASAP, a voluntary, self-reporting resource that identifies and reduces possible flight safety concerns, and mitigates risks. The growth of this program over the past 2 to 3 years is nothing short of remarkable as we now have 90 operators enrolled with more than 1600 safety events reported. And we're working with more than 40 of the 77 Flight Standards District Offices (FSDOs) on the event review.

Looking ahead

Despite some of the foregoing evidence to the contrary, I'm hopeful that it isn't merely tragic events that help move important agendas forward, and that an understanding of the need for a common voice with regard to charter industry safety is taking root once and for all.

Because the IAS was modeled after the IATA Operational Safety Audit (IOSA) standard for the airlines, we're hopeful that the IAS—like the IOSA—will eventually be recognized as the one common standard for safety in the charter industry. I do recognize, happily, that for the first time since our founding, there seems to be some traction in moving forward toward that goal, which, after so many years and so much work, is validation for the ACSF and its critically important goals.



Bryan Burns has served as president of the Air Charter Safety Foundation since 2010. He was former president of Vail Valley Jet Center and vice president of Jackson Hole Aviation.