

**Business Aviation Perspectives on  
The ICAO Universal Safety Oversight Audit Programme (IUSOAP)**

**Presented by**

**The International Business Aviation Council (IBAC)**

Summary

The ICAO Universal Safety Oversight Audit programme is arguably one of the most important initiatives in ICAO's history. The programme is influencing significant safety enhancements.

Nevertheless, changes are recommended to improve and build on the programme and to facilitate States implementation of their safety oversight frameworks.

IBAC is recommending enhancements to the audit programme, accelerating the expansion, establishing prerequisites for expansion and modernizing the standards. In addition IBAC presents a case for industry-developed standards and a third party certification concept as possible elements of a modern safety framework.

Introduction

Good afternoon ladies and gentlemen. It is a pleasure to take part in this valuable exchange on the ICAO Universal Safety Oversight Audit Programme. We welcome the opportunity to discuss this important subject and the potential for its expansion. We appreciate the invitation to present our thoughts and we congratulate the Commission for choosing such an important subject for discussion.

Arguably, the safety oversight audit programme is the most important initiative of ICAO's 50-year (plus) history. It is important not so much for what the programme detects during the audits, but for the change it has potential to influence. I do not think there is much doubt that there has been, and still is, a considerable worldwide deficiency in States' regulatory programmes. There are deficiencies in the status and quality of legislation and regulations and in the oversight of existing rules. The IUSOAP provides the leverage to influence improvement. We have seen clear evidence that the programme is already having an impact. However, unqualified success is still not guaranteed. Diligence is required to ensure objective and thorough product delivery.

If I may quote from Doctor Kotaite's address from the opening session of the DGCA Conference in November 1997 – "I would like to see more product than process". Although he spoke in reference to the conduct of the Conference, the statement is equally relevant for the product of the Conference -- the IUSOAP.

This afternoon I would like to comment on the 'products' of the audits and what we believe needs to be done to improve them. I will say at the outset that we believe the audit programme should be expanded. I will briefly explain why, but more importantly I will discuss some implications and make some relevant recommendations.

Mr. Chairman, in your letter of invitation to this valuable meeting, you asked me to - "focus on the efforts being made or that should be made by your organizations, or the programs in place or that should be in place to help States remedy the deficiencies uncovered in the audits ". You then went on to add - "In addition you may wish to discuss any safety initiatives taken by your organizations".

The International Business Aviation Council (IBAC) may not be able to assist States in delivery and remedy of their regulatory framework, at least for the safety oversight methods that are in common use today. Also, it is unlikely that there are many audit results that apply directly to business aviation. Nevertheless, if there are, we would be happy to help.

Regarding your second request, we are working on some concepts and safety related initiatives that may be worth considering. The concepts could change the approach to regulatory safety oversight by States should they choose to apply the concept. I will outline this business aviation initiative later in my presentation.

My presentation this afternoon will address the following points:

- a) the existing audit programme;
- b) expansion of IUSOAP;
- c) prerequisites to expansion;
- d) need for a comprehensive regulatory framework; and
- e) industry developed standards.

#### Existing Audit Programme

Much has been done since the DGCA Conference of November 1997. We realize that a revolutionary new programme such as this requires considerable management of change. ICAO must be congratulated for introducing the change in such a timely manner and for committing resources to the implementation of IUSOAP.

My first word of encouragement applies to the resource requirement. Safety should be given a high priority, so we should ensure that the programme continues to be properly resourced. Permanent funding should be found in the regular programme by matching the funding to ICAO's priorities. Given that safety is a high priority it should be funded as such. It would be a mistake to lengthen the period between audits for funding reasons.

My second point applies to quality. If I may, I will quote from the Conference once again, as the representative of the Netherlands stated quite simply "quality assurance equals safety assurance".

The quality of the audit programme is highly dependent on a system of checks and balances. It is not enough to have good auditing standards and a well managed and highly trained workforce. Also required is a system to measure the quality of the product, with the goal of constant improvement.

Implementation of a quality assurance programme will be critical in ensuring that the audit programme stands the test of time.

One option considered during development of the audit programme was to establish a group in the Air Navigation Commission, with expertise in quality assurance, to perform an ongoing QA role. Other options were considered and other options are possible.

A good quality assurance programme will not only help long-term product quality, but it will also help diffuse complaints from States regarding their specific audit. The ongoing success of the programme will be largely dependent on its consistency, accuracy and fairness. The auditing procedures established in IUSOAP were largely designed after the International Standards Organization (ISO) auditing standards. The ISO system provides good guidance on how an auditing organization must maintain its own quality. The system provides for excellent checks and balances.

One other consideration in early planning for the audit programme was a concept for developing a Complaints Tribunal of some form. Perhaps it is time to reconsider this idea. This also is a role that could be undertaken by the Commission. Such a mechanism for an independent review of complaints by States could enhance the openness and objectivity of the programme.

These are recommendations for improvement. As mentioned, we have come a long way in the past few years. The programme is having a positive impact and global aviation safety is being enhanced. Our recommendations are for improving an already beneficial product.

#### Expansion of IUSOAP

I will now turn to the question of expansion. At the DGCA Conference in 1997, delegates spoke often about the need to assess the complete aviation system. For a number of reasons, namely financial, it was agreed that the programme - "should be expanded to other technical fields at the appropriate time."

The audit programme was initiated for safety reasons. Similarly, expansion is required for safety reasons. There appears to be no reason for delay, other than, dare I say, financial. Given that we should be putting priority on safety requirements, resources should be found for expansion. Financial constraints can be managed by re-priorization.

There are other constraining issues that have been voiced. One of these is concern for what may be found. There is considerable fear that States generally provide little or no oversight over the other aviation sectors. Furthermore, in many cases, there are no regulations governing these sectors.

As a counter argument, however, we have already seen how the audit programme can influence change. Surely an expansion into the new sectors will have the effect of strongly encouraging States to quickly implement rules and oversight over the remaining aviation sectors. If a timetable is set immediately for such an expansion, States will be able to plan and put priorities on implementation.

The DGCA Conference put emphasis on expansion into air traffic services and aerodrome sectors. We agree that priority should be put on Annexes 11 and 14, as these sectors are integral to every flight, and the quality of the service has an immediate and proportional influence on the safety of every flight. Audit implementation dates should be established at this time, so that the many required actions can be planned and implemented, both by ICAO and States.

A significant consideration for ICAO is the implementation of the audit programme for Annex 11 as ICAO has specific responsibility for air traffic service in the oceanic regions. Since the provision of ATS over the high seas is entrusted to States on the basis of Regional Agreements approved by the Council, there should be very specific interest on the part of the Council

regarding the delivery of this entrusted service. Consideration of this may help drive priorities in setting the audit schedule for air traffic services.  
Prerequisites for Expansion

The next point relates to the question of being ready.

Our feeling is that we are not ready, and this is a significant problem that needs priority resolution. The audit protocols for expansion cannot be developed until the basis for the audits are in place.

Our concern not only relates to the status of the States' rules and oversight, but also to the status of the SARPS. The legitimate question that States may ask is – "How can you audit against non-existent standards?"

If we were to consider Annex 14 as an example, the aerodrome standards are largely non-existent. We realize that extensive work is underway to update that document. However, this work should be given very high priority, as States will want to have the results and be in a position to implement them in sufficient time to be ready for the audit.

This may be an appropriate time to suggest that all of the SARPS are in need of modernization. I believe the audit programme has highlighted the weakness in the standards.

Audits should be conducted against established standards. In the case of the International Standards Organization, the audits consider adherence to ISO 9000 series standards. National aviation safety audits are conducted against the States' aviation regulations. However, in ICAO, because the standards in the Annexes are largely out of date, the ICAO audits are done not only against the standards, but also to recommended practices, "associated procedures, guidance material and safety related practices". Since industry practices can be very subjective, the results of the audit can be subjective.

Subjectivity in an audit process can be damaging to its credibility and can ultimately result in a 'watered-down' approach.

Modernizing the SARPS would go far towards improving harmonization of regulations worldwide. It would deter local and regional rulemaking evident in various corners of the world that usurp ICAO's role as the responsible agency for developing international aviation safety standards.

I believe the Annexes are very well structured in that they cover the broad sectors of the aviation system. This structure has stood the test time. The basic format should not be changed; however, the standards within the Annexes need modernization.

#### Need for Comprehensive Regulatory Framework

This leads to my next point.

Although the Annexes are structured well in terms of each specific sector, they do not provide the standards for a Civil Aviation Authority (CAA), and specifically its regulatory safety responsibilities.

There are no standards providing for the structure of a CAA along with its specific responsibilities.

The DGCA Conference made a number of recommendations that relate to such a requirement.

For example, Recommendation 2.1 (a) under the title of 'Appropriate Remedies' states - "ICAO continue to encourage the establishment of autonomous civil aviation authorities properly empowered to regulate, control and supervise all civil aviation activities in the State." And more

specifically, Recommendation 2.1 (a) under the title of 'Expansion', reads - "new criteria be developed requiring regulatory oversight of air traffic services, aerodromes and support facilities and services, since a number of individual civil aviation administrations do not have national legislation in this regard."

Note the word "requiring". In order to satisfy this recommendation standards are necessary, dictating the State's responsibilities.

Safety assessments and audits conducted over the past five years indicate that there are significant worldwide deficiencies in the universal establishment of effective civil aviation authorities. Part of the problem is the lack of clear direction in the way of standards for the mandate and structure of a CAA. Some guidelines are published in ICAO documents such as:

- a) Manual of Procedures for Operations, Inspection, Certification and Continuing Airworthiness (Doc. 8335);
- b) Continuing Airworthiness Manual (Doc. 9642); and
- c) Manual of Procedures for an Airworthiness Organization (Doc. 9389).

However, the information is not consolidated, making it difficult for States to understand the broad responsibilities of a CAA.

There is need for an authoritative ICAO document, perhaps a new Annex that provides clear direction and guidance with respect to the establishment and structure of a CAA. Such an Annex, Manual or series of manuals will assist the numerous Contracting States that are having difficulty establishing an effective safety programme. It will also support Directors General Civil Aviation in securing government support – specifically resources to fill their safety oversight obligations. Although the basic requirement could be satisfied by amending each of the Annexes to incorporate enhanced State safety oversight provisions, this solution would not have the high visibility and force of a new Annex.  
Industry Developed Standards

My next topic responds to your request for information on specific safety initiatives.

I mentioned earlier in my presentation that the International Business Aviation Council (IBAC) is very concerned about the proliferation of local and regional rulemaking, developed without the benefit of using a common baseline. Differences in operating rules and equipment requirements in various parts of the world result in safety problems and economic burden on operators.

It is not surprising that the local and regional rules are being developed. This is inevitable if the international standards are inadequate.

Using our sector of the aviation system as an example, many States or regions are developing, or have already developed, rules for business aviation. We certainly support establishment of good safety rules. What gives us considerable concern, however, is the differences or lack of harmonization.

We also recognize that the industry can be of significant help to regulatory authorities and must take some responsibility for development of a common baseline for safe operations. The business aviation community is proud of its excellent safety record. Business aviation flight departments have introduced well-managed safety programmes, largely outside of any regulatory structure.

It would therefore make sense that the best practices recognized or applied by the good flight departments should be captured into a set of standards for the benefit of the whole.

IBAC has embarked on an analysis of a concept for International Standards for Business Aircraft Operations (IS-BAO). The intent is to use the best practices developed by flight departments. The standards are to be industry developed and industry administered. Nevertheless, there is potential for regulatory authorities and ICAO to use these standards at some point in the future as the basis for rulemaking.

The concept we are considering is not unlike the International Standards Organization 9000 serious standards. We believe the principles of ISO, such as “get it right the first time” and “document what you do and do what you say” are harmonized with aviation thinking and processes. The ISO standards were developed to facilitate international trade. Our standards are designed to facilitate international operations. They are intended to facilitate and encourage harmonization.

We are now at the ‘proof of concept’ phase of development. A framework has been developed and operators from various parts of the world will shortly be going through a moulding exercise to test it against their best practices.

Following the proof of concept, if we go ahead with the project, we expect to have standards developed early next year. We will then investigate options for certifying against this standard.

It is our belief that a responsible industry is capable of developing standards that can be accepted by regulators. This has the potential of relieving burden on regulators. Not only does it provide for the standards for which regulations can be established, it also provides an option for safety oversight. It should be clear to regulators, for example, that a company that subjects itself to ISO certification meets an extremely high standard. Such a certification should give regulators comfort that the company is well managed.

In a similar way, we believe that industry developed standards recognized by the regulatory community worldwide, being subjected to third party audit, should provide regulators with assurance of safety oversight.

The aviation industry worldwide has demonstrated a high level of responsibility. It has demonstrated the capability of developing its own standards. Industry developed standards presents an option for ICAO to fulfil its obligation towards worldwide aviation standardization. As mentioned previously, we believe the standards in the Annexes need to be modernized. It would be very difficult for ICAO to do this on its own. Many good standards now exist and should be incorporated into the Annexes. The industry should be requested to help develop international standards where they do not presently exist, with the idea of incorporation into the Annexes.

Summary

I would like to summarize by listing recommendations evolving from the points made during the past few minutes. These are:

- a) introduce an independent Quality Assurance review of IUSOAP products;
- b) consider a Complaints Tribunal or other such independent means of reviewing State concerns for IUSOAP results;
- c) expand the audits to include Annex 14 and 11 as a high priority;
- d) establish a schedule for expansion of remaining sectors (Annexes);
- e) amend Annex 14 on a priority basis;

- f) ensure the IUSOAP programme and expansion are adequately funded;
- g) develop a new Annex or Manual to introduce standards for the establishment and operation all of a Civil Aviation Authority;
- h) modernize the standards in the Annexes;
- i) review the possibility of incorporating industry developed standards into the Annexes; and
- j) review the possibility of accepting third party industry certification as a part of the safety oversight toolbox.

Mr. Chairman, Members of the Commission, ladies and gentleman, I hope I have provided some food for thought. Thank you very much for the opportunity to participate.