

STATEMENT OF WILLIAM R. HENDRICKS, DEPUTY ASSOCIATE ADMINISTRATOR  
FOR AVIATION STANDARDS, FEDERAL AVIATION ADMINISTRATION, BEFORE  
THE HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION,  
SUBCOMMITTEE ON INVESTIGATIONS AND OVERSIGHT, CONCERNING  
CERTIFICATION OF NEW AIR CARRIERS. JUNE 11, 1986.

Mr. Chairman and Members of the Subcommittee:

I welcome this opportunity to review for you the Federal Aviation Administration's process for the certification of new air carriers. As the Subcommittee is aware, an applicant seeking to operate as a new air carrier must follow a parallel certification process: the applicant must obtain both a certificate of public convenience and necessity from the Office of the Secretary of Transportation and an air carrier operating certificate from the FAA.

Since our testimony last year detailed the FAA's safety certification process, I will very briefly outline the process for you, then note several initiatives we have underway which are intended to improve certification.

An applicant for an air carrier operating certificate applies for safety certification through our flight standards field offices. Typically, informal meetings are held to inform the applicant of the requirements and procedures for certification and for the FAA

to make initial assessments of the applicant's potential capabilities. The action which more formally begins the process is a "Pre-Application Statement of Intent" to start operations, which the applicant would provide to the field office. This material outlines the applicant's proposed scope and type of operations, type of equipment, areas of operations, and airports to be used, etc.

The next step would be for the carrier to flesh out the details of its proposed enterprise by submitting a formal application in letter form. Accompanying the formal application, or to be followed shortly thereafter, would be the carrier's proposed general operations, maintenance and training manuals along with checklists, Approved Airplane Flight Manuals, Minimum Equipment List, and other documents needed to evaluate its readiness to conduct air transportation in compliance with the regulations and safe operating practices. We would be looking to evaluate such factors as whether the carrier had the capability to maintain aircraft in an airworthy condition, properly train crewmembers, dispatchers and maintenance personnel, and safely turn around aircraft and crews from one flight to the next flight.

As part of the formal application, the new carrier would be required to submit an initial compliance statement, which lists all regulations appropriate to its proposed operations and how it

intends to meet those regulations. Typically, the compliance statement would cite appropriate provisions in its required manuals which spell out in detail how these functions will be carried out. FAA, of course, reviews this document to make sure that all pertinent regulations have been listed, and that the proposed means of compliance are adequate.

As these "paper" reviews are being conducted, we move into the next phase of our examination of the carrier, that is field inspections. FAA inspectors monitor the performance of such tasks as the training and checking of personnel and the inspection of proposed maintenance facilities. We examine the aircraft to be used to see if they meet certification and operational requirements. As this process evolves, we look at the backgrounds of the proposed management personnel. We also look at the compliance history of the people who will be involved in the management of the company.

At some point, usually in the later phases of the process, the carrier applicant would be required to submit to the FAA a plan for "proving flights" which, as the name suggests, are flights in which the applicant proves to FAA's satisfaction that it has the capability to actually run an airline in compliance with the regulations and consistent with safe operating practices. While a carrier may receive credit for ferry flights and FAA-observed

training flights, it must also make plans to conduct flights which would be representative of their proposed operation--a dress rehearsal, so to speak.

A carrier may request a reduction in the hours of proving flights required, based on the capabilities and past experience of its personnel. Despite any reduction which may be granted when FAA accepts the plan, the key factor is that the carrier must prove to the FAA's satisfaction, through the proving flights, that it can safely run an airline. Thus, if the FAA discovers any deficiencies in the carrier applicant's procedures, that applicant will have to correct the problems and demonstrate that it has done so, even if this results in having to fly more hours of proving flights than called for in the plan. Likewise, if a carrier demonstrates its capabilities to FAA's satisfaction prior to the completion of the number of hours of proving flights called for by the plan, no further flights would be required. In short, the carrier applicant must demonstrate its ability to comply with the applicable regulations and the procedures and programs contained in its manuals irrespective of the number of hours of proving flights in its plan.

Once the plan for proving flights is accepted, FAA begins more intensive surveillance of the applicant. An emergency evacuation demonstration is conducted, which tests the emergency equipment as

well as the applicant's ability to maintain such equipment. The evacuation demonstration also verifies in a practical manner the quality of training given to the cockpit and cabin crewmembers on the use of the emergency equipment and the procedures to be used during an emergency evacuation. During ferry or training flights, the applicant's maintenance programs, procedures and capabilities are examined. As previously mentioned, the carrier applicant would be required to fly into a number of the airports that are representative of those it proposes to serve. During these flights, FAA inspectors examine the competence of flight crews, flight dispatchers, flight attendants, and ground personnel; the adequacy of maintenance programs and fueling procedures; and management's capabilities in the exercise of operational control. We also pose hypothetical problems for the crews and the company's operational control systems to see how they would react in unusual situations such as weather diversions and/or equipment failures. In essence, the proving flights are used by the FAA to verify that the carrier applicant can actually conduct its operations in accordance with the proposed methods and conditions set forth in its compliance statement.

After each proving flight, an FAA inspector briefs the applicant's management on any deficiencies detected during the flight or during ground operations, and the applicant must take action to correct these deficiencies. If they are major, the applicant must

demonstrate the effectiveness of the corrective action by conducting additional flights. Once the FAA is satisfied that the carrier applicant's programs and systems adequately provide for compliance with the regulations and safe operating practices, the proving flights are terminated. Only after a successful demonstration by way of proving flights is an Air Carrier Operating Certificate granted to the carrier, along with operations specifications, which detail the conditions under which the carrier may operate.

The flight standards field office is required to prepare a certification report and forward it to the region, which in turn forwards a copy to headquarters. The field office also notifies OST that we have granted the certificate. Once the carrier has also obtained the necessary approval of economic authority from OST, the carrier may begin to operate.

As you can see, the certification process for any carrier is quite exhaustive. And our involvement with that carrier does not, of course, end there. We continue to oversee that carrier's operations in accordance with our ongoing surveillance program in order to assure the continued compliance with our regulatory requirements.

As one means of improving our overall certification process, including the ongoing surveillance of air carriers, we are

currently seeking to improve the guidance and direction to our inspectors on how to apply the certification regulations. Guidance is provided to our inspectors in FAA Order 3430.6C, commonly referred to as the Air Carrier Operations Inspector's Handbook. To achieve greater standardization of our air carrier certification and inspection program, the Inspector's Handbook is currently being revised.

The handbook revision is an intensive effort to delineate every function performed by our inspector workforce in order to define skills, knowledge, and abilities needed to perform certification and surveillance tasks. We have made substantial progress in developing a complete 30-volume series for our inspectors and our current plans call for field testing the chapters on new air carrier certification later this year. Upon completion of field testing, we are considering issuing to the field, on an interim basis, the volume on new air carrier certification until the entire handbook is revised. In addition, we have already incorporated major changes in the initial indoctrination courses for our newly hired inspectors at our Academy in Oklahoma City, to better enable them to perform their certification tasks.

We also are actively considering the issuance of a Notice of Proposed Rulemaking (NPRM), which would require certain technical and management requirements which applicants must meet prior to

obtaining an air carrier operating certificate from the FAA. Such a strengthened requirement could further assist in assuring that prospective operators have the capability to operate an airline safely.

The transfer of economic fitness determinations from the CAB to OST, has not materially altered our safety certification process. As indicated in testimony last year, prior to CAB Sunset, a CAB/FAA task force met periodically to discuss common concerns in the certification area. The FAA and OST have continued this relationship and are exploring ways to facilitate the exchange of technical and economic information to improve our certification efforts. In addition, the Administrator has directed that we undertake a comprehensive review of Part 121 certification procedures to ensure that the standards currently being used for new entrants are sufficient to maintain the highest degree of safety in air carrier operations.

We are confident that increased training, extensive handbook revision, possible changes in regulatory requirements, FAA/OST efforts to improve the sharing of information relative to new carrier certification and our own internal review of certification standards will further enhance our efforts to ensure that new air carriers are operating safely and in full compliance with our regulations.

Mr. Chairman, that concludes my prepared statement. I would be pleased to respond to any questions which you or other Members of the Subcommittee may have.