



SMS Newsletter

AFS SMS Program Office
AFS-900 Flight Standards National Field Office

Upcoming Safety Compliance Dates

- **November 26, 2016**—EASA Part-TCO SMS Requirement due for FAR part 135 flights into EASA member states.
- **March 9, 2018**—Part 121 Certificate Holders must have their Part 5 SMS implementation Accepted.

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Hazards vs Risks *What are the DCTs really asking us to look at?*

Mike Schwartz, SMS Program Office

The SMS Program Office has received many questions from the field concerning the SRM Process Department Owner and the SRM Organizational Data Collection Tools. They both have questions asking if the certificate holder has a list of risks associated with each existing hazard and if there has been an analysis of those risks.

14 CFR section 5.53 requires the CH to analyze the systems

identified in section 5.51 which lists the **4 triggers** requiring a safety risk management process be utilized to identify any unacceptable hazards. The analysis must consider the function and purpose of the system, the system's operating environment, an outline of the system's processes and procedures, and the personnel, equipment, and facilities necessary for operation of the system. This section goes on to require the

certificate holder to develop and maintain processes to identify hazards within the context of the system analysis. Section 5.55 requires the certificate holder to develop and maintain processes to analyze safety risk associated with the hazards identified in section 5.53(c). *as defined in 49 CFR 830.2.*

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We Need Your Help!

You asked and we are listening. We are reviving the SMS Newsletter and we need your help. We know that you are the boots on the ground concerning SMS implementation and best practices.

We are always looking for brief articles of interest to other certificate holders to include in this newsletter. Our aviation community has very experienced safety pro-

fessionals, pilots and technicians who have useful techniques, experiences, and tips to share concerning your SMS implementation activities. Please send your contribution to:

9-NATL-SMS-ProgramOffice@faa.gov.

If your article is accepted, you will receive a *pro rata* share of the SMS Newsletter subscription fees and all of the glory commensurate with being a published author. *(The SMS Newsletter is a free publication by the SMS Program Office.)*

Some updates on the SMS Program Office

- 15 Assigned Employees
- 11 "Road Warriors"
- 184 Events supported from January 2015-January 2016
- Provide support for Part 121 Certificate Holders in meeting Part 5 regulatory requirements.
- Provide support to the SMS Voluntary Program Participants with a special focus on Helicopter Air Ambulance operators and EASA operators.
- The SMSPO develops training and support material for the CMTs to aid in validation activities. This provides a consistent guidance for all CH SMS implementation activities.

The four main components of a Safety Management System (SMS) are:

- Safety Policy
- Safety Risk Management
- Safety Assurance
- Safety Promotion

These components provide a means of defining SMS within the FAA and a systematic approach to defining and achieving the desired safety performance.

SAS is what the FAA will use meet the Safety Assurance component of the internal Flight Standards SMS.

Hazards vs Risks

Continued from page 1

In the definitions section 5.5, a hazard is defined as *a condition that could foreseeably cause or contribute to an aircraft accident as defined in 49 CFR 830.2.*

Risk is defined as *the composite of predicted severity and likelihood of the potential effect of a hazard.* (Remember that the "effect" of a hazard was defined in terms of an aircraft accident.)

As an example, if an organiza-

tion wants to transition to electronic flight bags, the hazard would be the transition from paper charts and manuals to electronic media. When evaluating this change, we need to look at the conditions which could cause an event to occur which would lead to an aircraft accident. A loss of power to the device might lead to a lack of approach information potentially resulting in an accident. An inadequate mounting device which becomes unsecure and

disconnects the autopilot could lead to an uncommanded aircraft descent which if not promptly correctly could result in an aircraft upset or a Controlled Flight into Terrain accident.

All of the potential risks would have to be scored on a severity vs likelihood scale to determine what action would be required to address them. The original hazard remains the same, but many risks could be associated with it.

New EASA TCO SMS Requirements Coming this Fall

On April 29, 2014, the EU published Commission Regulation No. 452/2014. This regulation sets forth requirements for Third Country Operators (TCO). EASA defines a third party operator as any operator holding an air operator certificate issued by a third country. Under the new EASA regulation, the TCO must meet the requirements of ICAO Annex 19, Safety Management Systems by November 26, 2016. What this means is if you fly to Europe, you must apply for, and receive a TCO

authorization. Part of the approval process is to have a state recognized SMS in accordance with Annex 19.

One fundamental part of ICAO's Standards and EASA's risk based considerations for TCO acceptance is State (FAA) oversight.

Part 135 operators will require an authorization when flying to Europe under TCO. EASA has said they will not require an authorization under the TCO for fractional operations.

EASA's SMS requirements in TCO

authorizations are based on ICAO standards. ICAO standards in Annex 19 require that an operator's SMS must be "acceptable to the State" (U.S. FAA). Because of this requirement, the FAA does not currently recognize third-party sponsored SMSs for acceptance.

The SMS Voluntary Program (SMSVP) is available to part 135, 145, 141, 1nd 142 organizations and is accepted by the FAA. For more information, contact the AFS SMS Program Office.

System Safety and the Certificate Holder

Title 49, U.S.C., Section 44702, Issuance of certificates states: "When issuing a certificate under this chapter, the Administrator shall consider the duty of an air carrier to provide service with the highest possible degree of safety in the public interest."

The FAA uses a risk-based, data-supported, system approach to conduct oversight that validates the Certificate Holder's (CH)

ability to manage risk and to achieve safety objectives. Wow, that's a long sentence! It means the CH must identify hazards in its operating environment and manage the associated risks. Similarly, a CH's ability to manage risk is an important part of our determination as FAA Aviation Safety Inspectors to ensure that the CH is equipped to operate safely under the regulations

and standards prescribed by Title 14 CFR. With the advent of SAS in field use, the size, complexity and organizational activities will all be integrated and used to determine risk based oversight activities. As SAS is rolled out to more CFR parts, your CMT will provide additional information as to how these changes will affect your operation.

Applying System Safety

3 fundamental principles

1. Safety is an integral part of a system. It is not something that is added to, or stacked on top of, a system. It must be integrated into the entire system (people, processes, and technology) at the certificate holder's operations.

2. Safety must be designed into a system. It is not sufficient to have a policy statement declaring that safety is important. It must be a part of the life-blood of the system – It must be a part of the life-blood of the system – it must be practiced every day.

3. Safety cannot be inspected into a system. Our certification and surveillance processes will help us identify hazards and suggest risk mitigation, however it will not make the certificate holder integrate safety. Ultimately, the certificate holder must be responsible for safety.

FAA Academy Flight Program — Successful SMS Implementation

On June 8th, the SMSPO reviewed the FAA Academy flight program SMS and determined they have completed initial development and implementation of the SMS Voluntary Program. This is the first and only FAA flight program to successfully implement an SMS using the SMSVP as the basis for development. Even though the Academy's Flight Program is a small 14 CFR Part 91 operation, they are proof that the voluntary program is scalable to any size organization. Development took just under two years from application to join the SMSVP to acceptance of their SMS.

Jay Tevis, the Academy's Flight Safety Officer, captured the fundamentals of SMS and integrated them into their existing structure. Management has instilled a positive safety culture throughout the organization, and employees are committed to maintain these standards.

RETIREMENT

The SMS Program Office would like to wish Blue Skies and Tailwinds to Phil Daspit on his retirement. He has more than 40 years of federal service. We wish you all the best in what the future brings.

System Safety Attributes

The Safety attributes provide a foundation for tools that Principal Inspectors use to make informed decisions about CH operating systems.

The six system safety attributes are:

RESPONSIBILITY A clearly identifiable, qualified, and knowledgeable individual who is accountable for management of the operational activities (planning, organizing, directing, controlling) and its ultimate accomplishment.

AUTHORITY A clearly identifiable, qualified, and knowledgeable individual who can direct, control, or change procedures, and make key decisions such as safety risk acceptance decisions.

PROCEDURES Documented methods to carry out operational activities that translate the "what" (objectives/policy statements) into the "how" (practical activities).

CONTROLS Parts of the system, including hardware, software, special procedures or procedural steps, checklists, and supervisory practices designed to keep processes on track to achieve the intended results.

PROCESS MEASUREMENT

The certificate holder's process to measure and assess its processes to identify and/or correct problems or potential problems.

INTERFACES The certificate holder identifies, documents, and has a method to evaluate the impact of changes on related processes.



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Key Safety Management System Links

From this Issue

EASA Part-TCO Regulations Page

http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1399367634741&uri=OJ:JOL_2014_133_R_0002

EASA Third Country Operators Web Page

<https://www.easa.europa.eu/easa-and-you/air-operations/tco-third-country-operators>

ICAO Safety Management Manual Rev 3 Doc 9859

<http://www.icao.int/safety/SafetyManagement/Documents/Doc.9859.3rd%20Edition.alltext.en.pdf>

Other Key Links

AC 120-92B Safety Management Systems for Aviation Service Providers

https://www.faa.gov/regulations_policies/advisory_circulars/index.cfm/go/document.information/documentID/1026670

14 CFR Part 5 Federal Register Edition

<https://www.gpo.gov/fdsys/pkg/FR-2015-01-08/pdf/2015-00143.pdf>

14 CFR Part 5 Federal Register Edition Correction

<https://www.gpo.gov/fdsys/pkg/FR-2015-01-13/pdf/C1-2015-00143.pdf>

AVS SMS Website

<http://www.faa.gov/about/initiatives/sms/>

SMS Voluntary Program

Guidance is now available in Order 8900.1 Volume 17, Chapter 4 through the link:

<http://fsims.faa.gov/>