



ODA Metric Continuous Improvement Team Summary Report for 2018

Executive Summary

One of the foundational elements of the Aircraft Certification Service's transformation is strengthening our safety culture and oversight of our regulated industry. The Organization Designation Authorization (ODA) Scorecard is both a tool and a process to help the FAA and industry institutionalize how we work at the local and national levels to implement a systems approach to improve safety. The scorecard provides data that is the foundation for productive dialogues leading to action plans, where needed. Use of the ODA Scorecard process and metric data has enabled the FAA and industry to focus on safety and strengthen our oversight of our delegated organizations through monitoring areas of high risk.

In 2018, the ODA Scorecard was implemented again with all of the TC and STC ODA holders. It was completed with 42 companies resulting in 50 scorecards. A review of the results in this report will show that ODA is working well overall in driving conversations to move industry and FAA forward on oversight and safety. Based on the data, we have also identified improvements we can make as we move forward to make ODA an even more effective tool in improving aviation safety through the ODA system.

Summary of scorecard results

The goal is for our measures of success to show a year-to-year safety improvement. Of our 12 measures of success, 9 trended in the positive or neutral direction in 2018. These 9 measures were associated with the areas of identification and correction of non-compliances, completion of action plans (2015 National Initiative and Local), and FAA certification project involvement.

Of the 3 measures that trended negatively, 2 were associated with the areas of completion of 2015 National Initiative action plans (4% decrease in ICA delegation implementation) and FAA certification project involvement (1% increase in the number of projects with a PNL submittal). The CIT determined that the negative trend for these 2 measures was largely due to the fact that four new companies participated in the 2018 ODA Scorecard. Since progress was otherwise deemed satisfactory in these areas, these measures should be viewed as "neutral", with the potential for improvement.

The remaining measure with a negative trend was associated with Qualitative Company/FAA Performance (19% decrease in the number of green-green pairings). The CIT determined that the decrease in green-green pairings was likely the result of more specific guidance in the ODA Scorecard User's Guide Work Instruction that clarified the



need to document areas for safety improvement. Similar to the other two items above, this measure should be viewed as “neutral”, with the potential for improvement.

Opportunities for improvement

In 2015, the FAA initiated an effort to reduce the number of Program Notification Letters (PNL) required to be submitted, and expand delegation in the areas of ICA and EWIS ICA. To date, of the original participants, there are two companies with no-PNL authorization pending, two companies with ICA delegation pending, and one company with EWIS ICA delegation pending. Completing these 2015 National Initiative tasks, as early in the 2019 cycle as possible, will not only complete the initiative, but also help to drive the associated action plan and involvement measures in the positive direction.

Last year, the CIT addressed a concern about the overall qualitative ratings by adding a list of FAA and Company performance factors in the ODA Scorecard User’s Guide Work Instruction, and putting emphasis on both sides to use the factors to provide more accurate/forthright assessments. The CIT believes the 19% decrease in green-green ratings is likely due to use of the new guidance. The consensus was that this circumstance should not be viewed as a negative trend, but rather opportunities for improvement, because we want company/ACO pairs to accurately rate each other, justify the ratings, and work any problems, regardless of the color rating.

As was the case last year, the CIT discussed revising the ‘Measures of Company Compliance/Safety’ portion of the scorecard so that they reflect more of a systems approach. The CIT recognizes that Rev. C of the ODA Order will incorporate some aspects of a systems approach for oversight, however the release date is uncertain at this time. Additionally, the CIT recognizes that the national ODA Office, scheduled to begin operation later this year, may consider making changes to these measures based on feedback from the FAA and Industry at a later date, however no discussion has taken place at this time.

As a result of subsequent investigation into some of the 2018 ODA Scorecard data, it is apparent that collecting the Measures of Company Compliance/Safety data using a 24-month reporting period is difficult for the users and has resulted in increased effort to assess the associated performance trends. As a result, these measures will now be collected on the ODA Scorecard Worksheet using a 12-month annual reporting period.



Background

The FAA Modernization and Reform Act (FMRA) of 2012 required the FAA to work with industry stakeholders to streamline and improve the certification process. Section 312 of the FMRA was aimed at reducing certification delays while maintaining or improving the existing level of safety. The Scorecard balances this requirement by measuring FAA involvement while also monitoring system safety output. This provides the FAA a tool to identify areas of risk and helps us target our resources effectively.

Both Industry and FAA agree that delegation continues to be a very powerful tool to leverage industry expertise, and reduce certification cycle time with no negative impact to safety. Organizational delegation is reliant on industry processes and a healthy compliance culture, coupled with an oversight approach that is properly executed by the FAA. Over the past 10-15 years, there have been significant improvements in certification processes. Specifically, with the creation of ODA in 2005, FAA and Industry began to make the necessary investments in moving toward a systems approach to certification.

In 2015, the FAA along with industry developed a set of metrics aimed at measuring the overall performance, health, and safety output of the ODA system in type certification projects. The objectives were to define mutually agreed metrics, identify areas that were in need of greater focus and to identify issues and concerns with respect to FAA and ODA holders' performance, safety output, and safety culture. The FAA initiated an ODA Scorecard pilot project to resolve implementation issues, and obtain data to support implementation of the metrics nationwide. AIA (Aerospace Industries Association) and GAMA (General Aviation Manufacturers Association) supported this activity, assisted in securing greater involvement by ODA holders and participated in regional meetings around the country. Twenty-four companies participated in this pilot project which was concluded in December of 2015.

In January 2016, in a joint AIA, GAMA, and FAA meeting, the results of the pilot project were reviewed and discussed. The results indicated that the initiative was a resounding success, with over 80% of participants (both FAA and companies) indicating they experienced value in the pilot, and recognized the greater potential that the scorecard could present to all stakeholders. The FAA, with full support of industry and safety experts decided to proceed with implementation of the metrics nationwide for all ODAs with type certificate and supplemental type certificate approval



authorization.

It is important to keep an open, constructive dialogue to be successful in this effort. To achieve this objective, the FAA and industry (AIA and GAMA) agreed to establish an ODA Metrics Continued Improvement Team (CIT). The mission of this team is to advance systems performance and safety through reliable and accurate indicators, such that, all stakeholders agree on ODA performance, safety output, and contributions to improvement plans designed to enhance ODA effectiveness. The CIT is a tool for ensuring continuing progress toward the effective and efficient certification processes that are needed to maintain U.S. leadership in aviation safety.

The scorecard provides the opportunity to identify and address, via action plans, areas for improvement that are essential to the success of our ODA system. The scorecard allows the FAA and the ODA holder to assess each other's performance and satisfaction with the ODA program and associated certification activity. The scorecard also provides data that can differentiate local from national issues, so the appropriate group can address them. Currently, the scorecard is largely focused on the engineering design approval aspects of Type Certification (TC) and Supplemental Type Certification (STC) ODA holders.

At the local level, the scorecard is intended to promote healthy data-driven discussions between the ODA holder and the FAA. The scorecard is not a perfect measure of involvement, efficiency or compliance, and is not intended to identify the acceptability of any given metric.

2018 ODA Scorecard Measures of Success

For 2018, the following 12 measures of success were identified by the CIT as indicators of overall ODA program health (this data captures CY2018 scorecard results and action plan progress through 2/15/2019). Delegation measures are holistic, and as they are increased or decreased, the overall impact should be an improvement to the safety outcome measures:

- 1) Qualitative Company/FAA Performance: The goal is for overall ratings to show a year-to-year improvement in the percentage of green/green Company/FAA pairings. In 2016, 72% of the scorecards indicated a green/green Company/FAA pairing (33 out of 46 scorecards). In 2017, 89% of the scorecards indicated a green/green Company/FAA pairing (40 out of 45 scorecards). The year-to-year improvement from 2016 to 2017 was reflected in the 17% increase. In 2018, 70% of the scorecards indicated a green/green Company/FAA pairing (35 out of 50 scorecards). The year-to-year decline from 2017 to 2018 was reflected in the 19% decrease. The reason for the decline was that greater emphasis was placed on both industry and FAA to use newly developed criteria in assessing each other's performance.

Measure 1 - Qualitative Company/FAA Performance



- 2) No-PNL Action Plan Status: The goal is to show a year-to-year increase in the number of ODAs with No-PNL Authority. No-PNL Authority was a 2015 ODA Scorecard Initiative. In January of 2017, 67% of the 36 companies had received No-PNL Authority. By January of 2018, 89% of the 36 companies had received No-PNL Authority. The year-to-year improvement was reflected in the 22% increase. By February of 2019, 90% of the 39 companies had received No-PNL Authority. The year-to-year improvement was reflected in the 1% increase.

Measure 2 - No-PNL Action Plan Status



- 3) FAA Involvement – PNL Projects: The goal is to show a year-to-year decrease in the percentage of projects with PNL. In 2016, there were 79% of projects with PNL (36 scorecards). In 2017, there were 59% of projects with PNL (45 scorecards). The year-to-year improvement from 2016 to 2017 was reflected in the 20% decrease. In 2018, there were 60% of projects with PNL (50 scorecards). The year-to-year decline from 2017 to 2018 was reflected in the 1% increase.

Measure 3 - FAA Involvement – PNL Projects



- 4) ICA Delegation Action Plan Status: The goal is to show a year-to-year increase in the number of ODAs with ICA Delegation. ICA Delegation was a 2015 ODA Scorecard Initiative. In January of 2017, 48% of the 40 companies had received ICA Delegation. By January of 2018, 90% of the 39 companies had received ICA Delegation. The year-to-year improvement was reflected in the 42% increase. By February of 2019, 86% of the 42 companies had received ICA Delegation. The year-to-year decline was reflected in the 4% decrease.

Measure 4 - ICA Delegation Action Plan Status



- 5) FAA Involvement – ICA: The goal is to show a year-to-year decrease in the percentage of projects with FAA involvement when ICA is listed as a reason. In 2016, there were 47% of projects with FAA ICA involvement (46 scorecards). In 2017, there were 31% of projects with FAA ICA involvement (45 scorecards). The year-to-year improvement from 2016 to 2017 was reflected in the 16% decrease. In 2018, there were 24% of projects with FAA ICA involvement (50 scorecards). The year-to-year improvement from 2017 to 2018 was reflected in the 7% decrease.

Measure 5 - FAA Involvement – ICA



- 6) FAA Involvement – EWIS Delegation Action Plan Status: The goal is to show a year-to-year increase in the number of ODAs with EWIS Delegation. EWIS Delegation was a 2015 ODA Scorecard Initiative. In January of 2017, 14% of the 29 companies had received EWIS Delegation. By January of 2018, 80% of the 10 eligible companies had received EWIS Delegation. The year-to-year improvement was reflected in the 66% increase. Note that at the start of the 2017 cycle, the CIT agreed to reduce the number of companies targeted for EWIS delegation, from 29 companies to 10 companies, based on past involvement data. By February of 2019, 90% of the 10 eligible companies had received EWIS Delegation. The year-to-year improvement was reflected in the 10% increase.

Measure 6 - FAA Involvement – EWIS Delegation Action Plan Status



- 7) FAA Involvement – EWIS: The goal is to show a year-to-year decrease in the percentage of projects with FAA involvement when EWIS is listed as a reason. In 2016, there were 21% of projects with FAA EWIS involvement (46 scorecards). In 2017, there were 10% of projects with FAA EWIS involvement (45 scorecards). The year-to-year improvement from 2016 to 2017 was reflected in the 11% decrease. In 2018, there were 1% of projects with FAA EWIS involvement (50 scorecards). The year-to-year improvement from 2017 to 2018 was reflected in the 1% decrease.

Measure 7 - FAA Involvement – EWIS



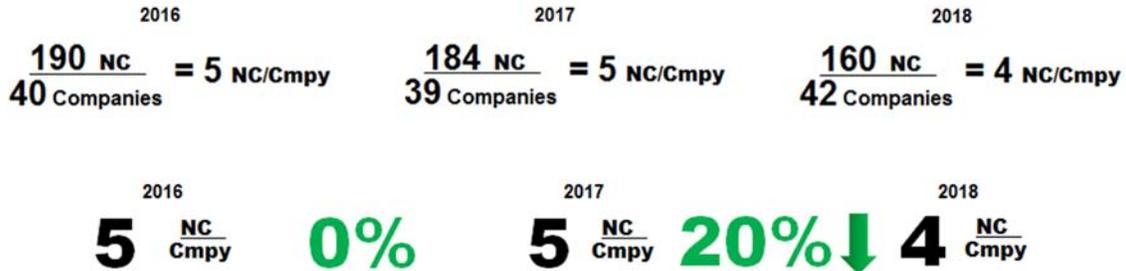
- 8) Identified Non-Compliances: The goal is to show a year-to-year decrease in the percentage of Non-Compliances found by FAA in comparison to those identified by the company. In 2016, 55% of Non-Compliances were identified by the FAA (46 scorecards). In 2017, 43% of Non-Compliances were identified by the FAA (45 scorecards). The year-to-year improvement from 2016 to 2017 was reflected in the 12% decrease. In 2018, 43% of Non-Compliances were identified by the FAA (50 scorecards), which was no change from 2017 to 2018.

Measure 8 - Identified Non-Compliances



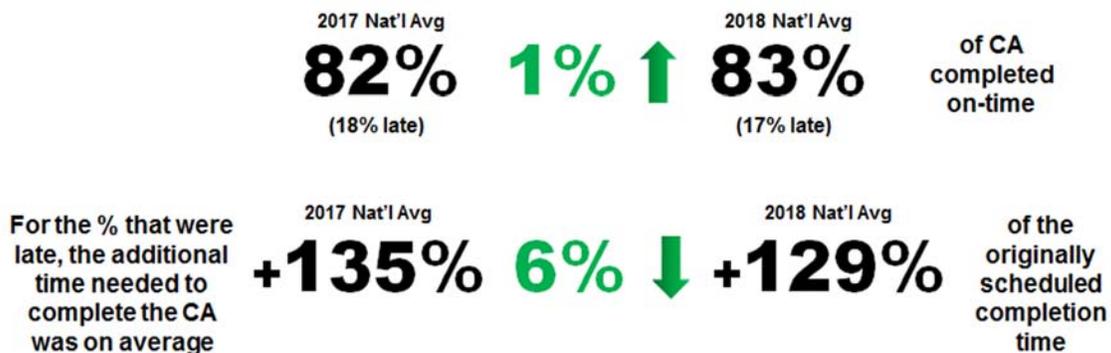
- 9) Airworthiness Non-Compliances: The goal is to show a year-to-year decrease in the rate of airworthiness non-compliances per company. In 2016, the rate of non-compliances per company was 5. In 2017, the rate of non-compliances per company was 5, resulting in no change from 2016 to 2017. In 2018, the rate of non-compliances per company was 4, a 20% reduction from 2017.

Measure 9 - Airworthiness Non-Compliances



10) Corrective Action Timeliness: The goal is to show a year-to-year improvement in company corrective action timeliness. In 2016, this data was collected in a different format as total time corrective actions were open. In 2017, this data began being collected in a percent on-time format. In 2017, the national average for corrective actions completed on-time was 82% (18% of corrective actions were late). For the 18% of corrective actions that were late, the additional time needed to complete the corrective actions was 135% of the originally scheduled completion time. In 2018, the national average for corrective actions completed on-time was 83% (17% of corrective actions were late), up 1% from 2017. For the 17% of corrective actions that were late, the additional time needed to complete the corrective actions was 129% of the originally scheduled completion time, a 6% reduction from 2017..

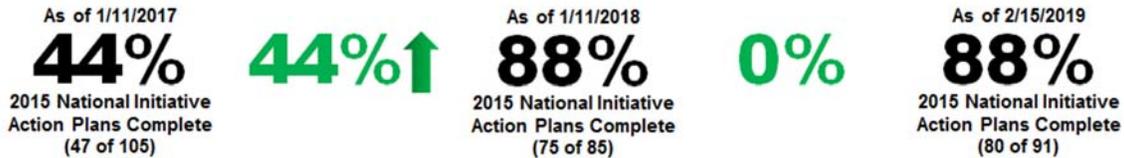
Measure 10 - Corrective Action Timeliness



11) National Initiative Action Plans (No-PNL, ICA, EWIS): The goal is to maximize the percent of National Initiative Action Plans (No-PNL, ICA, EWIS) completed each year. As of January 2017, 44% of National Initiative Actions Plans were complete (47 out of 105). One year later in January 2018, 88% of National Initiative Action Plans were complete (75 out of 85). The year-to-year improvement was reflected in

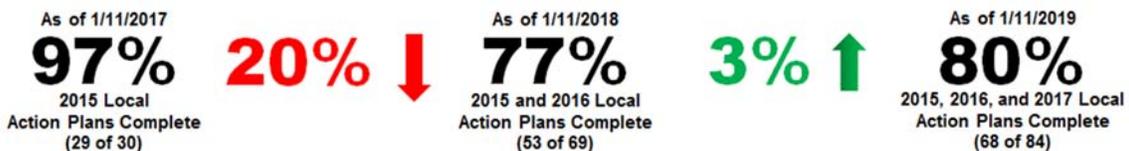
the 44% increase. In February 2019, 88% of National Initiative Action Plans were complete (80 out of 91), which was no change from the previous year.

Measure 11 - National Initiative Action Plans (No-PNL, ICA, EWIS)



12) Local Action Plans: The goal is to maximize the percent of Local Action Plans completed each year. In 2015, 97% of Local Action Plans were completed (29 out of 30). In 2015 and 2016 combined, 77% of Local Action Plans were completed (53 out of 69). The CIT determined that a 77% completion value, when compared to a 97% completion value from the previous year, was satisfactory and should not be recorded as a negative trend. Instead, each value was viewed as satisfactory, and the trend was decided to be “neutral”. In 2015, 2016, and 2017 combined, 80% of Local Action Plans were completed (68 out of 84), which was a 3% improvement from the data collected the previous year. The CIT wants to encourage each ACO Branch/company pairing to commit to local action plans, some of which may be multi-year plans. In 2015, 30 local action plans were initiated; in 2016, 39 local action plans were initiated; and in 2017, 15 local action plans were initiated. The CIT viewed this trend as healthy.

Measure 12 – Local Action Plans



Continuous Improvement Activities

1. The CIT agreed to a permanent scorecard schedule shift to a calendar year cycle. Additionally, minimal changes will be made to the ODA Scorecard Worksheet. This will give Industry and the FAA more time this year to affect change and have it show up in the 2019 data (e.g. Get-to-Green actions, Re-org changes etc.) This also moves the work intense months of the scorecard off the FAA Performance review cycle and off the industry end of year airplane completion busy times. With the move to the first months of the calendar year this will allow better focus on action plans.

2. Last year the CIT created two industry, AIR, and AEG sub teams. One sub team was tasked to develop and drive improvements to ICA delegation. In particular, it was to address the possible creation of a new AEG ICA unit member role for inclusion in the next revision of the ODA Order. The sub team members agreed to recommend that no AEG ICA unit member role be created at this time and that the policy for obtaining ICA acceptance authority not be changed in the release of FAA Order 8100.15 Rev C. The second sub team was tasked to evaluate if and how the operational suitability reviews of Flight Manual Supplements can be delegated. The sub team has submitted a report to the CIT for further consideration. Work on both of these issues is on-going.
3. Last year, regarding potential improvements to the ‘Measures of Company Compliance/Safety’ portion of the scorecard, the CIT deferred any major changes to until after release of the 8100.15, Rev C Order. Until this happens, or until the national ODA Office makes any changes, industry and the FAA are encouraged to continue to make progress towards improving ODA self-auditing and corrective action capabilities, and working together to implement effective corrective action in a timely manner, so that our current measures continue to trend in a positive direction.
4. Last year, the CIT prototyped a method for collecting sharable information regarding areas of future improvement or best practices. The method did not produce expected results and will not be pursued any further.

Changes to the 2019 ODA Scorecard

The CIT noted the following in consideration of new changes to the Scorecard Worksheet, Scorecard FAA Users Guide, Process, and Training Materials:

1. The annual ODA Scorecard process cycle has been shifted from September-August to January-December of each calendar year. The associated process tasks are the same, however their timing has shifted accordingly.
2. There will be no changes to the FAA User’s Guide and Training Materials, and minimal changes to the 2019 ODA Scorecard Worksheet.
3. The stand-up of the FAA ODA Office may result in recommendations for new 2019 ODA Scorecard metrics.

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FAA Flight Standards ODA Policy	Jay Kitchens
FAA Boston AEG	Bob Barnes
FAA Atlanta ACO Branch	Christina Underwood
FAA Seattle ACO Branch	Tom Stafford
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