

AIR Transformation



**Federal Aviation
Administration**



Presented to: External Stakeholders
By: Aircraft Certification Service (AIR)
Date: September 2018

Drivers for Change

	Description	Implications
Industry growth 	<ul style="list-style-type: none">Industry expands and contracts much faster than the FAA in its current structure can manage	 Stress on traditional AIR structure and processes creating a need for agility
Globalization of aviation 	<ul style="list-style-type: none">Industry is made up of an international web of networks and complex business arrangements that are challenging our traditional regulatory model	 Need for international collaboration
Heightened expectations 	<ul style="list-style-type: none">The public, industry and government entities continue to increase their expectations of us to do things faster and without error	 Pressure on AIR to become efficient and agile
Velocity of change 	<ul style="list-style-type: none">Technological advances and business model changes are precipitating higher rates of change and increasing the need for organizational agility and adaptability as our environment changes	 Complexity and volume of standards needs





AIR Transformation Timeline

Jul 2017

Dec 2017

May 2018



Realign

Reorganize the Service into a functional model to align people and processes



Leadership

Select permanent executives and deputies to stabilize the new functional organization



Renew Approach

Complete strategic planning to reform our 1980s-era policy and processes – keeping pace with technology and the global marketplace

AIR TRANSFORMATION



Engage Stakeholders

Engage internal and external stakeholders to identify best practices and develop strategies to streamline certification and oversight



Ongoing



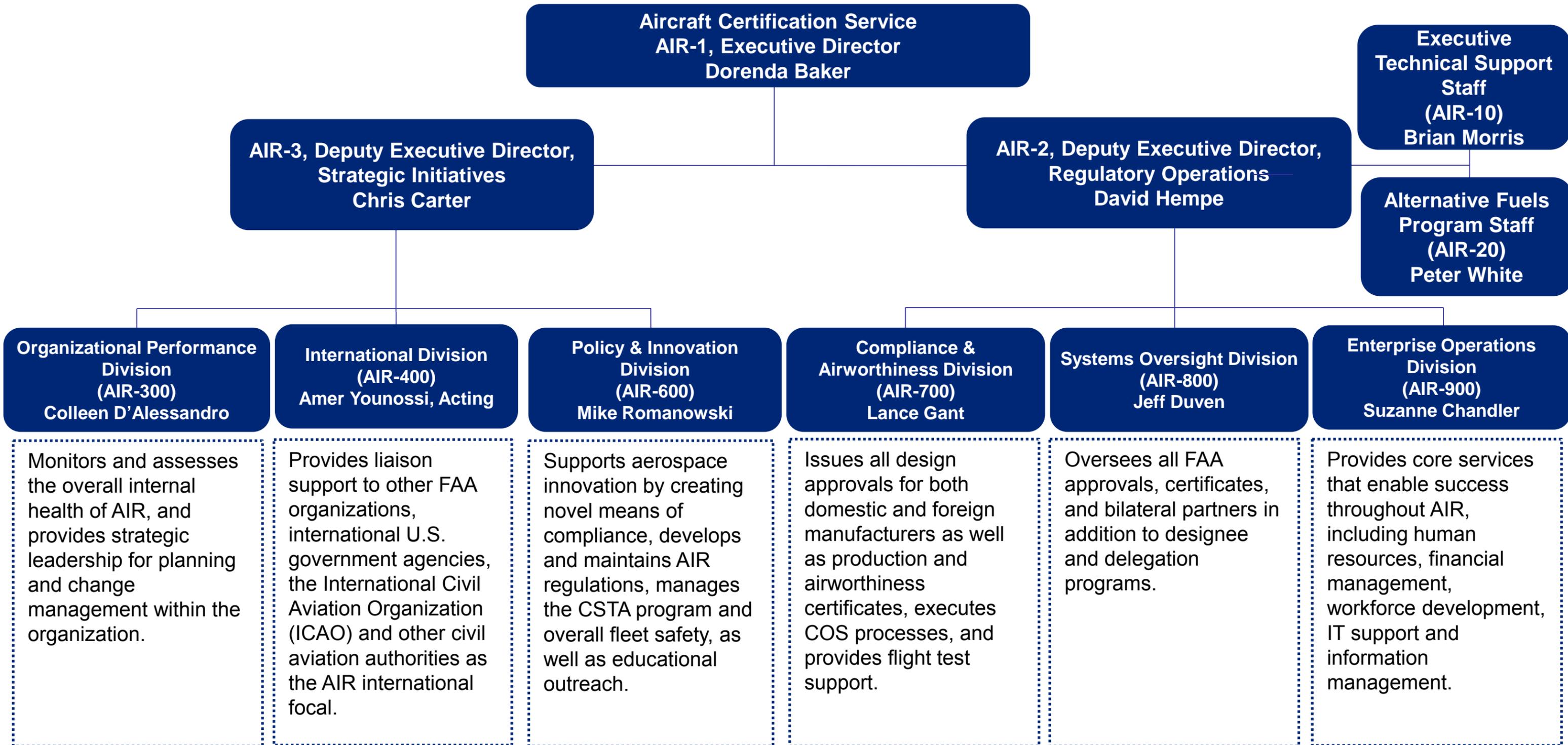
Refine

Further refine the organization by allocating Resources to support AIR Transformation Goals



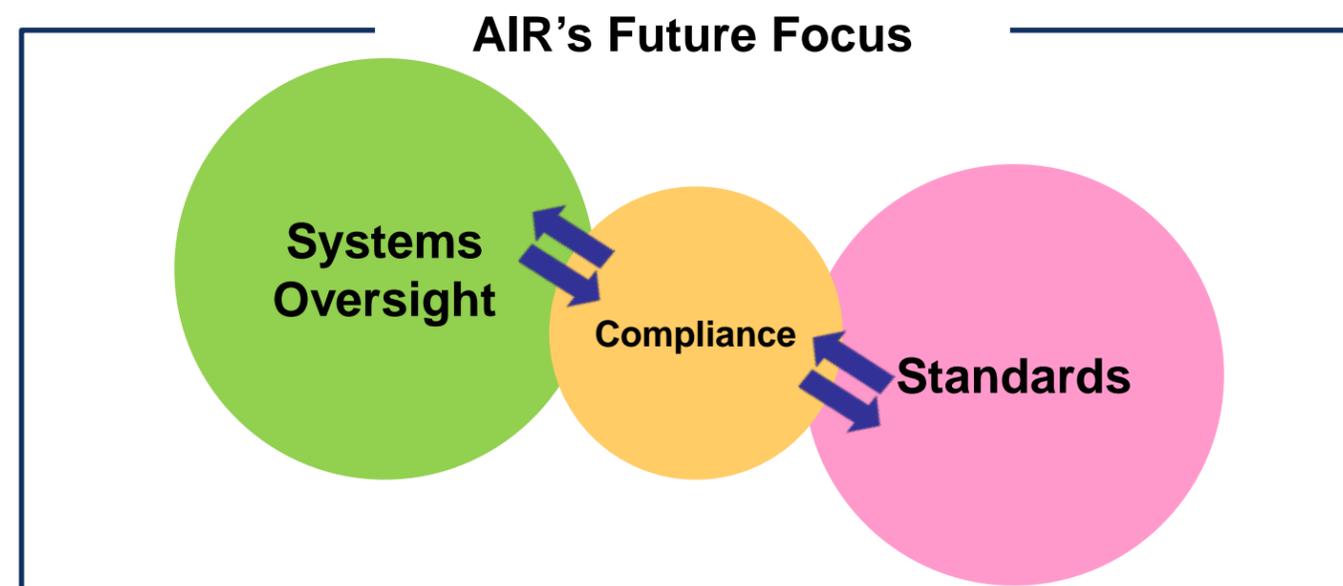
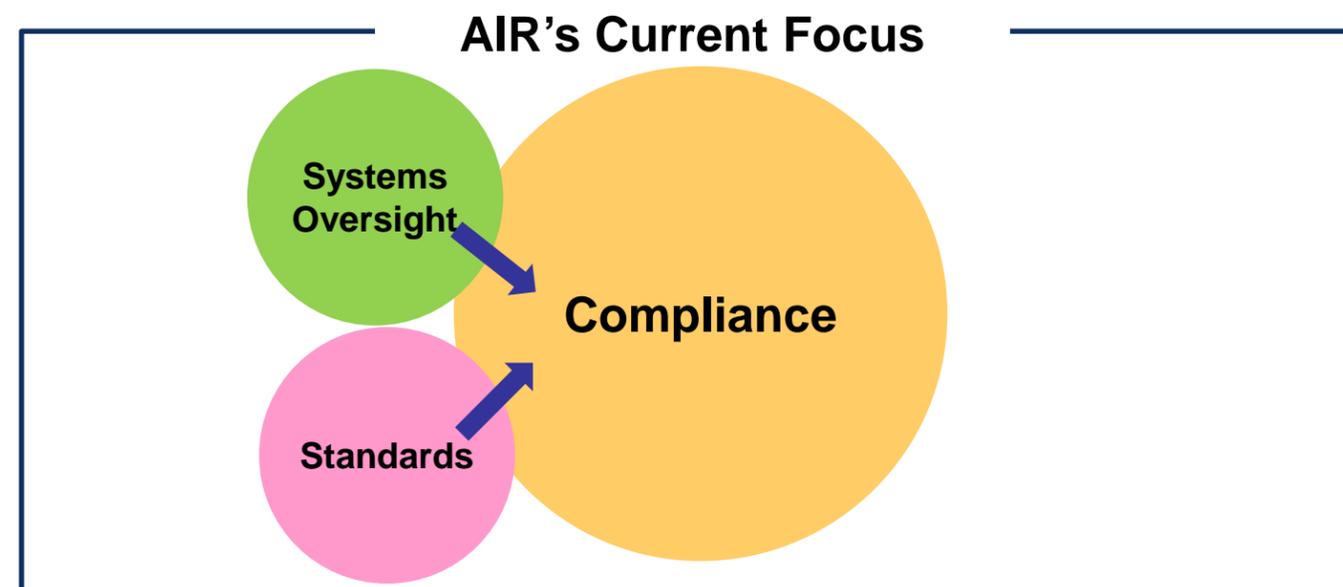
Ongoing

AIR's Current Organization



Benefits of AIR Transformation

- Encourages early industry engagement and risk-based system surveillance to streamline certification
- Improves consistency and standardization by establishing single functional lines for 1) certification, 2) standards and 3) system oversight
- Fosters innovation by engaging industry applicants early to understand new concepts and ensure viable path to compliance
- Provides agility and adaptability to meet the challenges of the dynamic global aviation industry
- Establishes business practices for utilizing metrics for determining efficacy of Industry/FAA associated with compliance/safety and time to market

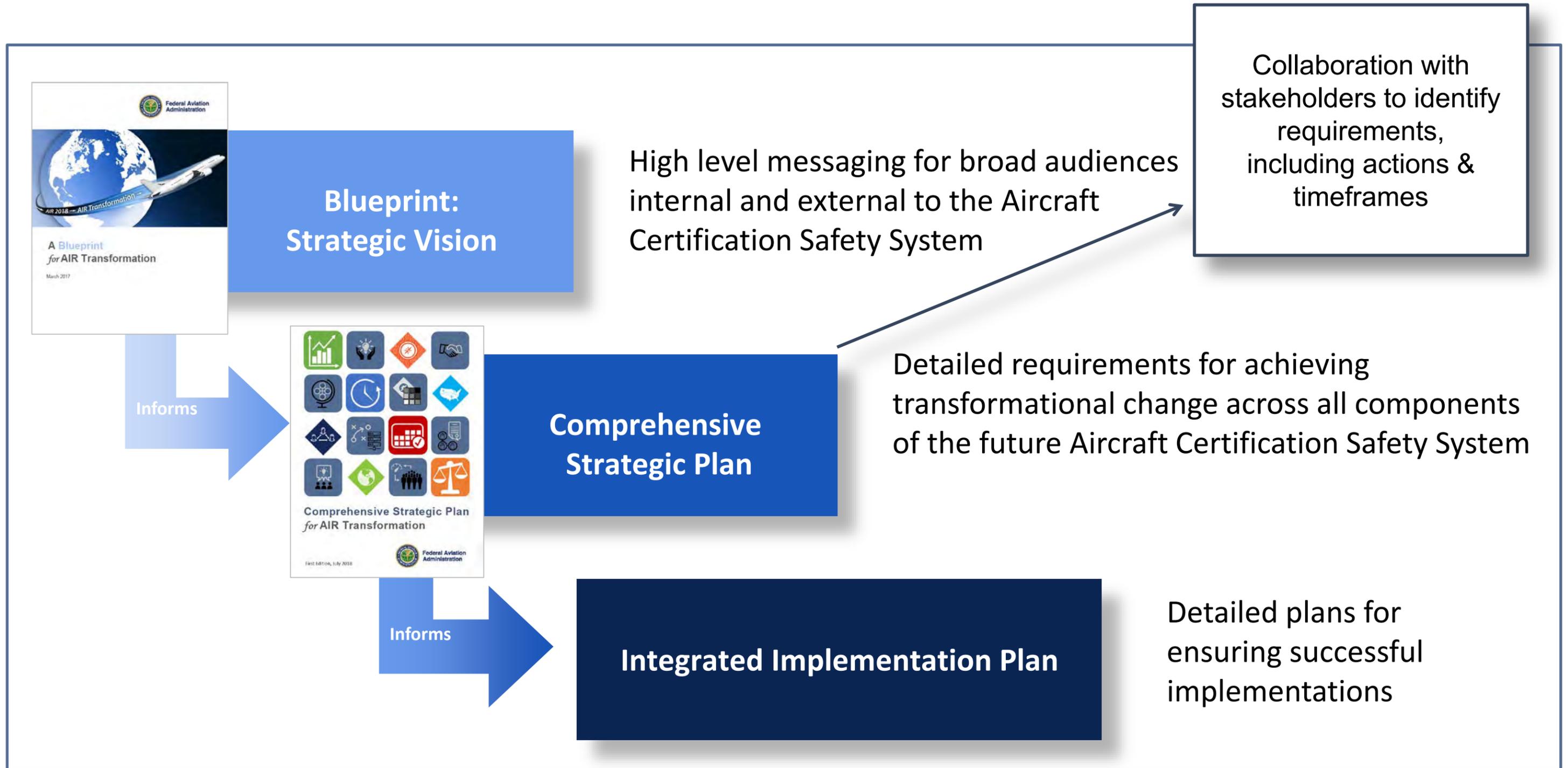


AIR Transformation: Industry & Labor Engagement

- **Safety Oversight and Certification Aviation Rulemaking Committee (SOC-ARC)**
 - The [Charter](#) was signed by former FAA Administrator Michael Huerta January 5, 2018
 - The ARC remains in existence for 24 months
- **Sponsor:** Dorenda Baker, AIR-1
- **Co-Chairs:**
 - Chris Carter, AIR-3
 - Michael Thacker, Bell Helicopter
- **Union Representatives**
 - AFSCME: Moin Abulhosn
 - NATCA: Scott Odle
 - PASS-MIDO: Jim Pratt



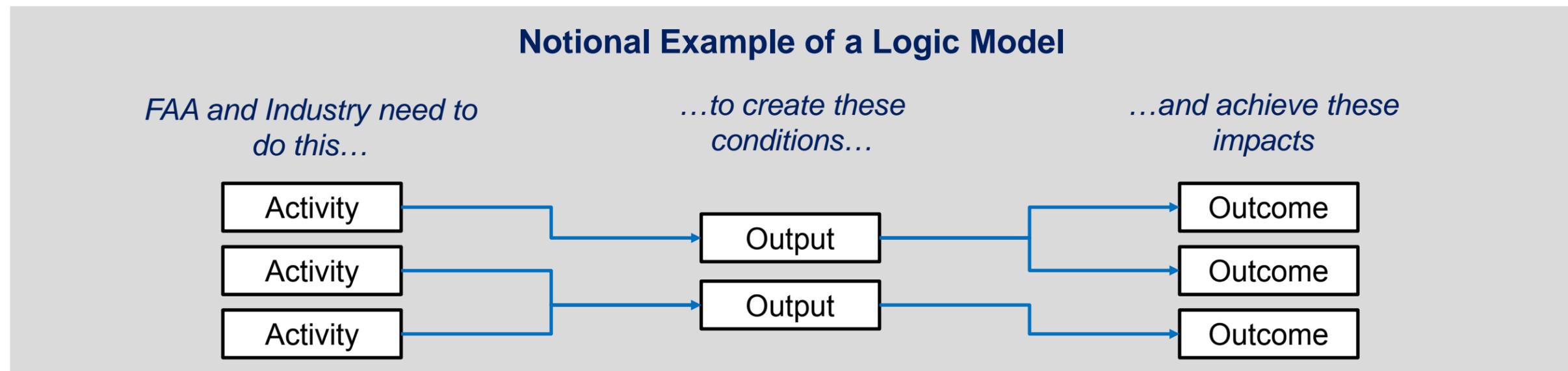
AIR's Comprehensive Strategic Plan (CSP)



How Was the CSP Developed?

The CSP Team used the principles of Systems Engineering to:

- Consider multiple inputs from AIR's division leadership team, division management teams, and SOC-ARC
- Discuss the Transformation as a system change
- Capture an initial set of actions to achieve that change
- Use logic modeling to review the actions
(*Action* → *Condition* → *Outcome*)
- Reorganize and consolidate the actions based on the Outcomes they supported





The CSP Contains:

- **10 Initiatives**
 - Organized by the 5 Strategic Areas of the House
 - Aligned to the 8 Blueprint Vision Elements
- **4 Transformation Outcomes**
- **2 Appendices**

See page 9 of the CSP



Initiative Title

Initiative Description

Why It Matters

Describes role of the initiative in the context of the overall Transformation

Output of this Initiative

Describes what we expect the Initiative to achieve and link to Transformation outcomes

Actions to Achieve this Initiative

- A. Describes each action AIR must take to achieve the initiative.
- B. These inform the development of Implementation Plans

Complementary Stakeholder Actions

- Lists supporting actions AIR's stakeholders can take to maximize the impact of each initiative

How the Initiatives are Structured

Each initiative follows the same structure. Most initiatives fit on a single page.



Transformation Outcomes

AIR Transformation Outcome	Outcome Metric Description
 Manage operational safety risk across the Safety Continuum	Safety Performance: Early resolution of noncompliance and potential unsafe conditions
	Safety Confidence: Maturity level of Industry safety systems
	Safety Resource Allocation: Alignment to risk
 Reduce the time for approval decisions	Timely Project Approval: Time from initial application submission to application approval
	Interim Milestone Completion Time: Time from initial application submission to project milestone
 Increase the schedule predictability of approval decisions	Schedule predictability: Variance for product approvals based on estimated completion date
	Approval Predictability: Variance for each kind of product approval
 Increase AIR's productivity	Approval Productivity: Hours per AIR approval
	Overall Productivity: Approvals issued per Full Time Equivalent

Desired outcomes will be attained through assumed cause-and-effect relationships with supporting initiatives. Outcomes serve as a constant benchmark for assessing progress toward the initiatives.

Both the method and metrics for monitoring progress will mature over time.

See pages 23-24 of the CSP



Change Management

Change management is a strategic area and essential to ensure that the initiatives in this strategic plan are implemented successfully. It will be proactively integrated and communicated across implementation plans to identify and manage the people side of change efforts.

Foundational Action necessary to support implementing the strategy.

Develop an enterprise change management program. This includes implementing a scalable change management methodology. It also includes identifying and developing organizational change management capabilities and competencies to improve results and outcomes of initiatives.

See page 8 of the CSP



Where in the CSP is **Industry**?

CSP Initiatives: 1, 2, 3, 4, 5, 7 & 8

Initiative & Action	Current Activity
<p>1.A. Establish a model that prescribes AIR's retention of responsibilities as a function of demonstrated applicant/holder capabilities (maturity model).</p> <p>1.B. Incorporate applicant/holder maturity assessments and corresponding responsibilities in working agreements with AIR.</p>	<ul style="list-style-type: none"> *Implementation of Applicant Showing Only
<p>1.B. Incorporate applicant/holder maturity assessments and corresponding responsibilities in working agreements with AIR.</p>	<ul style="list-style-type: none"> Project Specific Certification Plans (PSCP)
<p>1.C. Establish expectations for collaboration and feedback</p>	<ul style="list-style-type: none"> Organization Designation Authorization (ODA) Continuous Improvement Team (CIT)
<p>2.A. Create a system oversight model that integrates AIR's domestic and international processes.</p>	<ul style="list-style-type: none"> *AIR Integrated Oversight (AIO)
<p>3.A. Formalize expectations for Industry self-correction and voluntary disclosure.</p> <p>3.B. Monitor and improve system safety and performance.</p>	<ul style="list-style-type: none"> Implementation of Compliance Philosophy
<p>4.A. Establish a process for applicant engagement with AIR well in advance of application.</p>	<ul style="list-style-type: none"> *Innovation Project Process Pilot
<p>8.C. Provide information management solutions that maximize efficiency and eliminate redundancy.</p>	<ul style="list-style-type: none"> Industry portal for sharing of safety failures (i.e. Aviation Data Exchange (AVDEX))

[1 of 2]

The Strategy for AIR Transformation



Where in the CSP is **Industry**?

CSP Initiatives: 1, 2, 3, 4, 5, 7 & 8

Initiative & Action	Current Activity
Multiple: 1.A., 3.A., 5.A., 7.A.	<ul style="list-style-type: none"> Planned SMS Rulemaking
Multiple: 1.B., 1.C., 4.A., 7.C.	<ul style="list-style-type: none"> *Implementation of FAA and Industry Guide to Product Certification (CPG), including Partnership for Safety Plans (PSP)
Multiple: 3.A., 3.B., 7.A., 7.C.	<ul style="list-style-type: none"> Performance Based Oversight (PBO), expand the scope and number of pilot program participants

Complementary Stakeholder Actions:

- **Recognize Applicant Responsibility**
 - Title 14 CFR Part 21.20 requirement
- **Engage in stakeholder collaboration through the SOC-ARC**
- **Proactively mature Compliance Assurance Systems**
 - Voluntarily implement Safety Management Systems
- **Transparently and systematically disclose and correct safety issues and noncompliances**
- **Leverage early engagement mechanisms**
- **Support the development of consensus standards, including collaboration with foreign CAAs and ICAO**
- **Proactively share safety data and collaborating on COS**

[2 of 2]

The Strategy for AIR Transformation



Benefits of Transformation





**Federal Aviation
Administration**



www.faa.gov/go/AIRTransformation

Comments & Questions