

# AIR Transformation



**Federal Aviation  
Administration**



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

# Drivers for Change

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



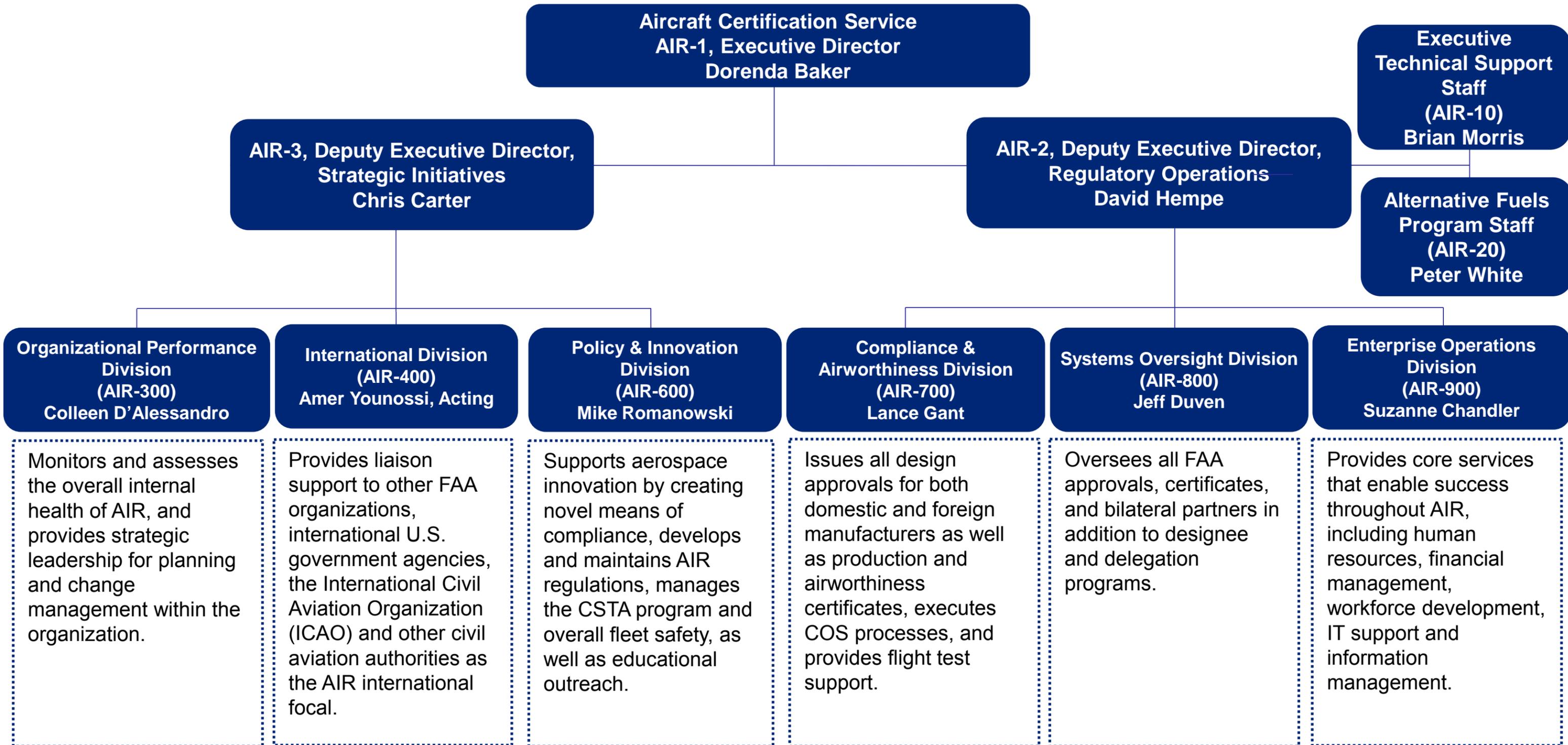
## Refine

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



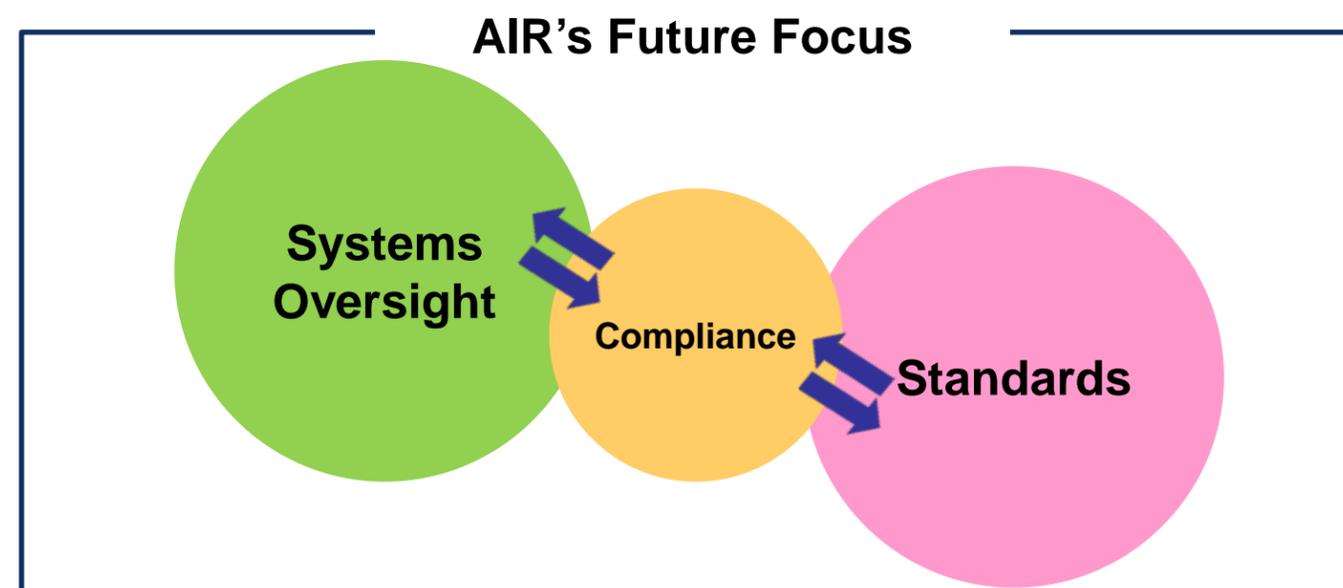
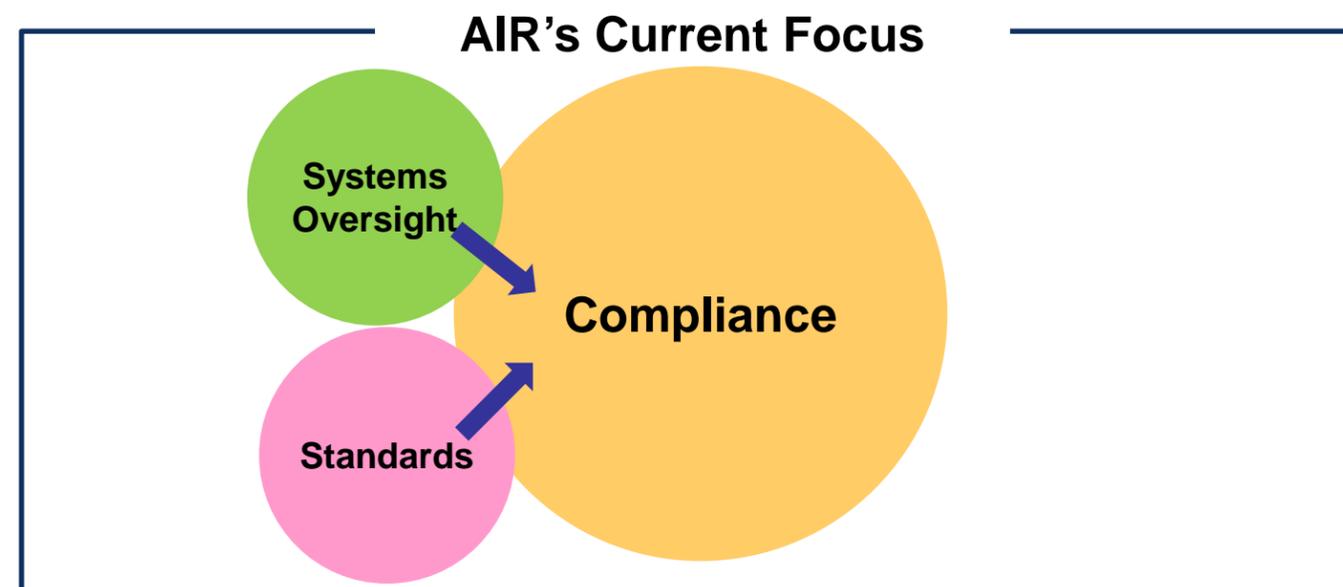
*Ongoing*

# 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



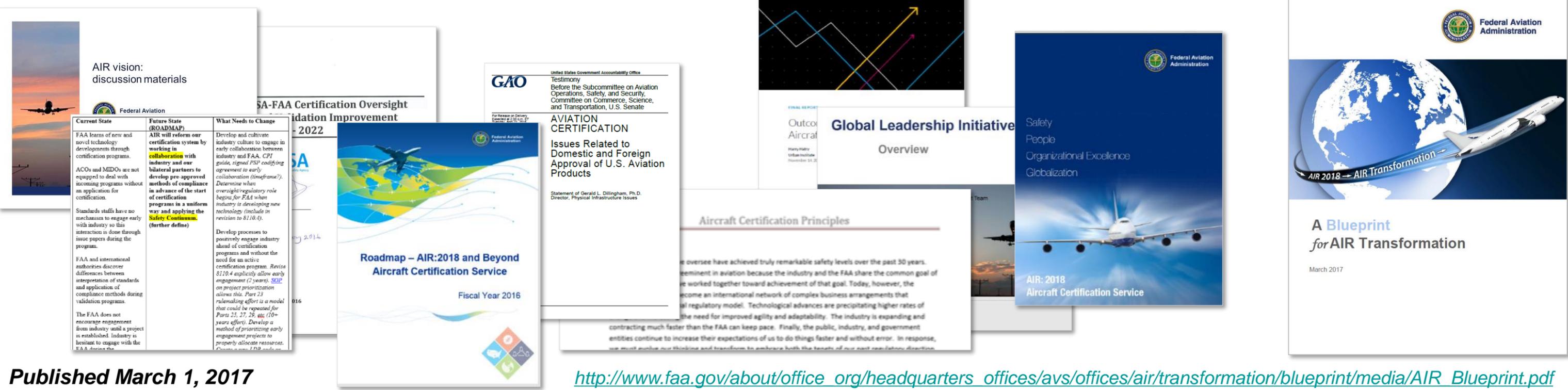
# AIR Transformation: Industry & Labor Engagement

- **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



# The Blueprint

- A “living” document that identifies the case for change and the scope for AIR Transformation. It expands on previous efforts and existing strategies.
  - Considers full transformation of the entire system
  - Identifies and leverages the key drivers of change in realizing mission outcomes
  - Considers activities from near to mid and far-term
  - Is informed by AIR subject matter experts and stakeholders
  - Applies best practices of systems engineering and operational transition and integration



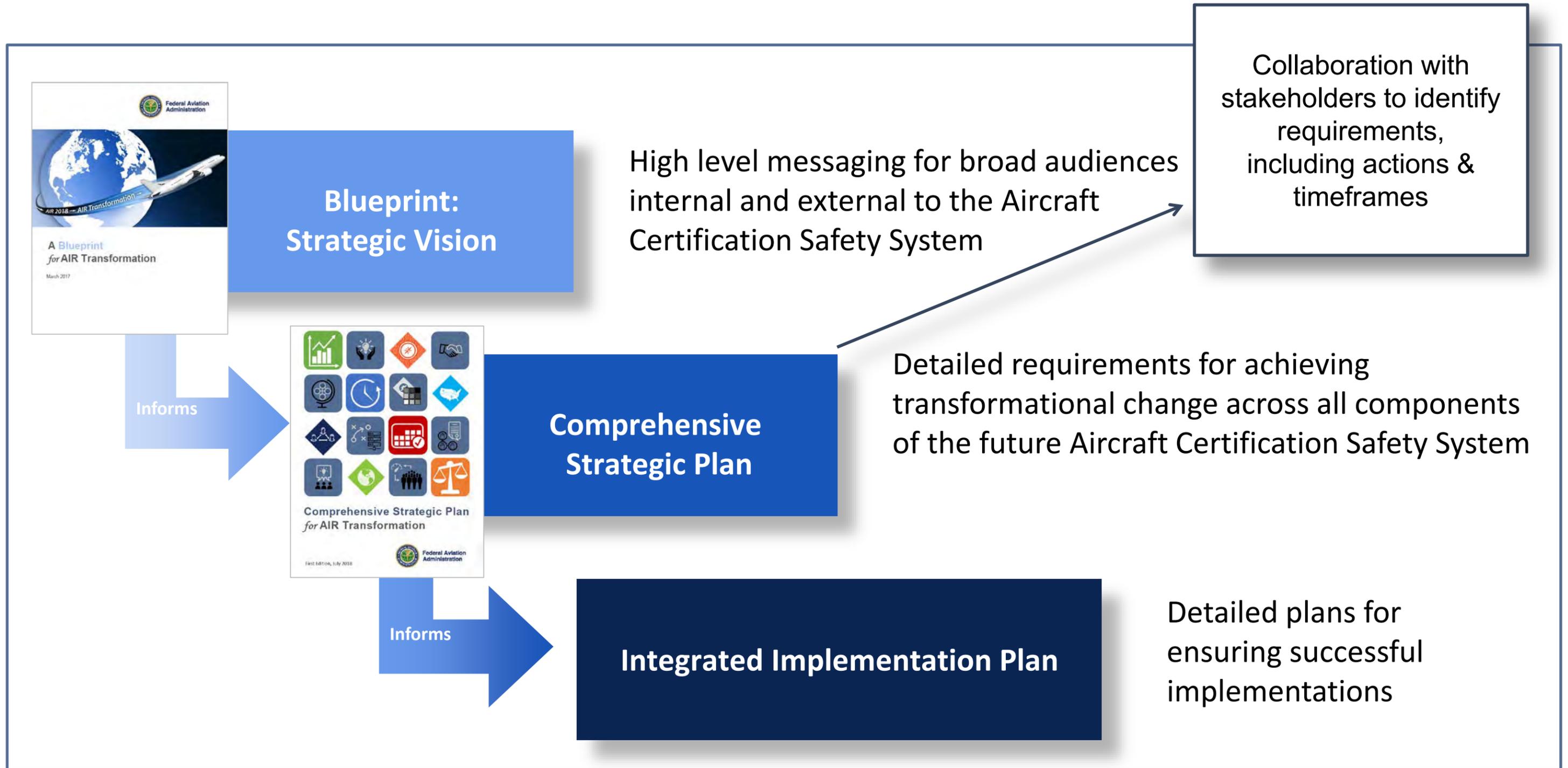
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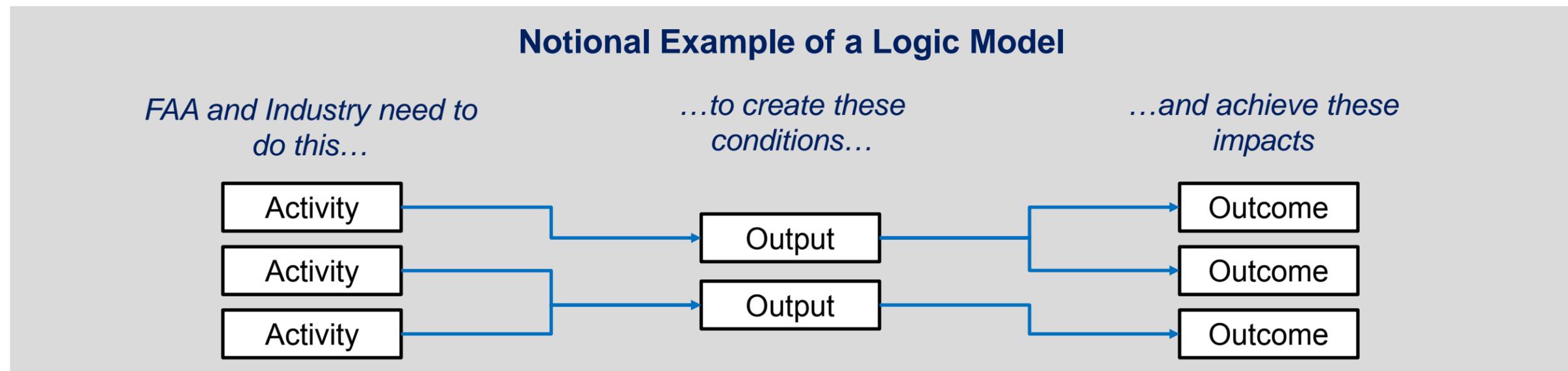
# AIR's Comprehensive Strategic Plan (CSP)



# 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	<b>Safety Performance:</b> Early resolution of noncompliance and potential unsafe conditions
	<b>Safety Confidence:</b> Maturity level of Industry safety systems
	<b>Safety Resource Allocation:</b> Alignment to risk
 Reduce the time for approval decisions	<b>Timely Project Approval:</b> Time from initial application submission to application approval
	<b>Interim Milestone Completion Time:</b> Time from initial application submission to project milestone
 Increase the schedule predictability of approval decisions	<b>Schedule predictability:</b> Variance for product approvals based on estimated completion date
	<b>Approval Predictability:</b> Variance for each kind of product approval
 Increase AIR's productivity	<b>Approval Productivity:</b> Hours per AIR approval
	<b>Overall Productivity:</b> 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*



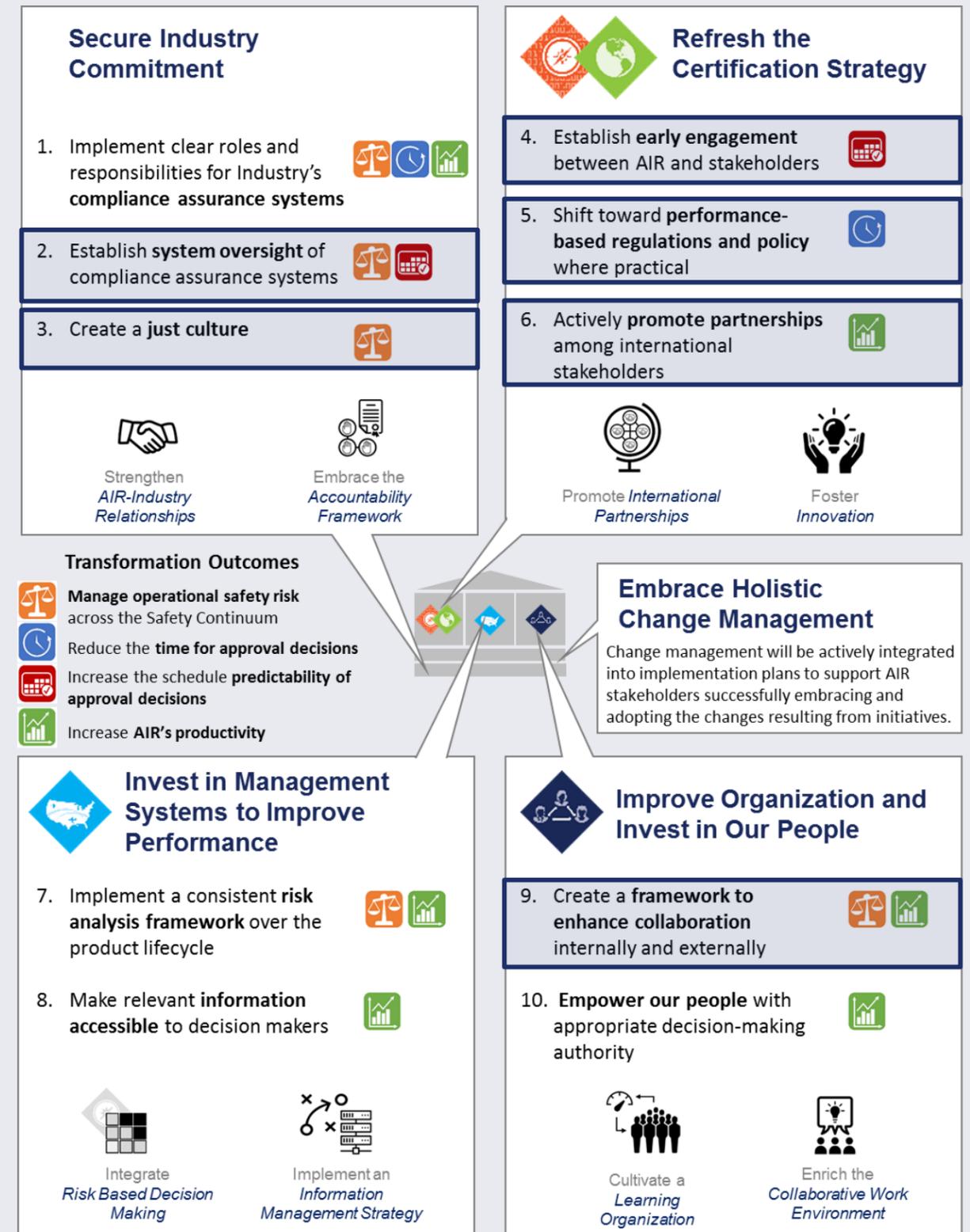
# Where in the CSP is FCAA?

## CSP Initiatives: 2, 3, 4, 5, 6, 8 & 9

Initiative & Action	Current Activity
<p><b>2.A.</b> Create a system oversight model that integrates AIR's domestic and international processes.</p> <p><b>2.B.</b> Conduct system oversight.</p> <p><b>2.C.</b> Coordinate the identification and mitigation of corrective actions between appropriate stakeholders.</p> <p><b>6.A.</b> Establish common practices among bilateral partners for assessing confidence in safety systems.</p>	<ul style="list-style-type: none"> <li>Developing robust system assessment and Maintenance of Confidence process aligned with domestic oversight process.</li> <li>Modifying BASA-IPAs to include Maintenance of Confidence principles.</li> <li>Implementing performance metrics to develop bilateral scorecard.</li> </ul>
<p><b>3.C.</b> Incorporate the Compliance Philosophy into international agreements.</p>	<ul style="list-style-type: none"> <li>Modifying BASA-IPAs to include just culture principles and providing targeted training.</li> </ul>
<p><b>4.A.</b> Establish a process for applicant engagement with AIR well in advance of application.</p> <p><b>4.B.</b> Create and implement a compliance library.</p> <p><b>6.D.</b> Maximize the recognition of bilateral partners' safety systems to reduce duplicative certification activities.</p>	<ul style="list-style-type: none"> <li>Promoting early engagement with FCAA in Order 8110.52 and bilateral meetings.</li> <li>Modifying BASA-IPAs to promote early engagement including concurrent validation</li> <li>Modifying BASA-IPAs to include library of lists to implement risk-based validation</li> </ul>
<p><b>5.C.</b> Revise regulations and policy to performance-based standards, where practical.</p> <p><b>6.B.</b> Engage foreign CAAs to develop globally acceptable standards, policies, and methods of compliance.</p> <p><b>9.E.</b> Establish crosscutting communities to foster mutual learning.</p>	<ul style="list-style-type: none"> <li>Established the Certification Authority Groups with CMT partners to promote coordination/alignment of policy</li> <li>Extending this concept to other partners (e.g. FAA/CAAC annual policy forum)</li> </ul>

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## The Strategy for AIR Transformation



# Where in the CSP is FCAA?

## CSP Initiatives: 2, 3, 4, 5, 6, 8 & 9

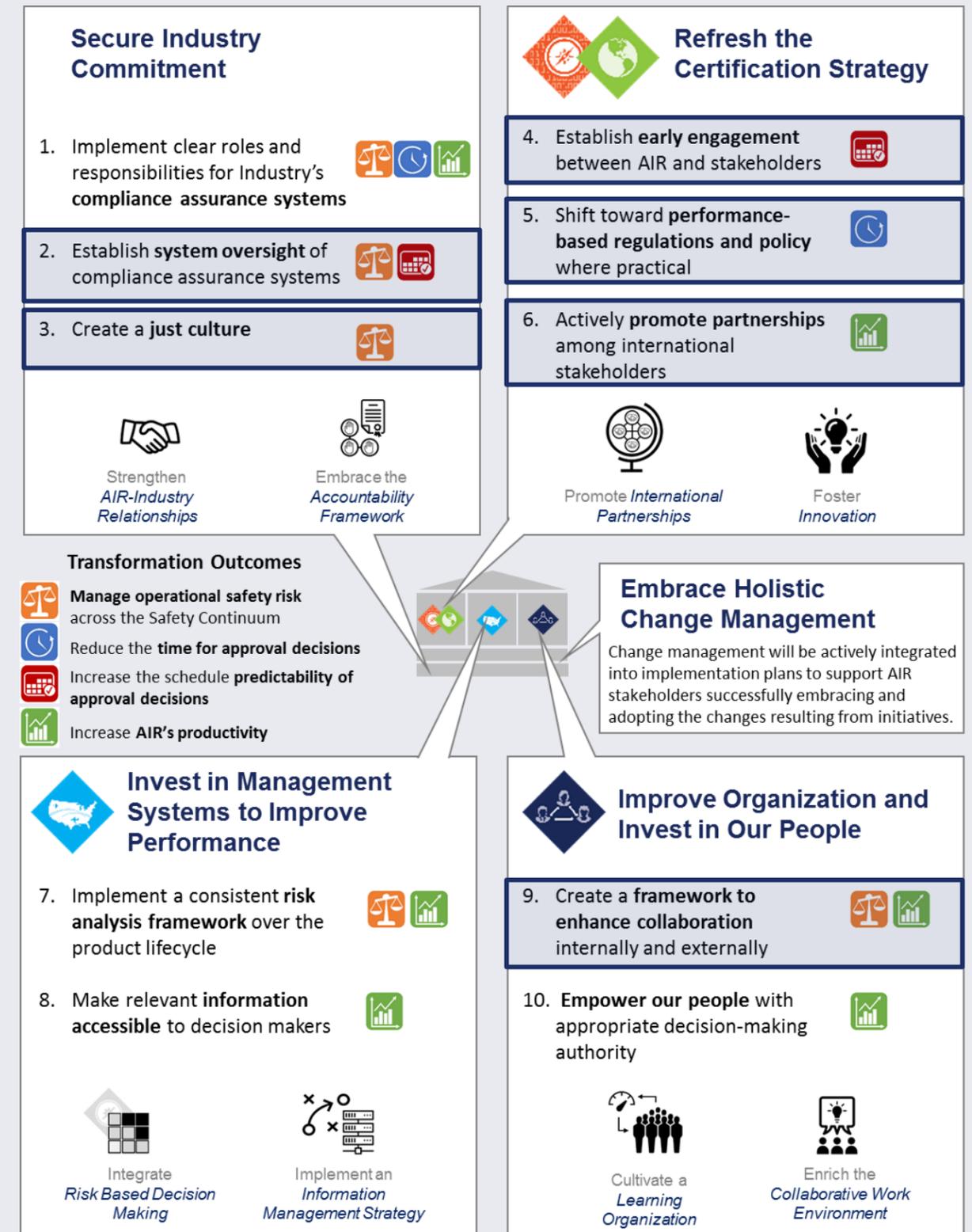
Initiative & Action	Current Activity
<p><b>6.C.</b> Enhance the oversight capabilities of foreign CAAs.</p> <p><b>6.D.</b> Maximize the recognition of bilateral partners' safety systems to reduce duplicative certification activities.</p>	<ul style="list-style-type: none"> <li>Implementing strategic upskilling opportunities to enhance FCAA oversight capabilities (e.g. Singapore Aviation Academy)</li> </ul>
<p><b>6.E.</b> Promote the acceptance of safety and efficiency enhancing standards and best practices within ICAO.</p> <p><b>8.C.</b> Provide information management solutions that maximize efficiency and eliminate redundancy.</p>	<ul style="list-style-type: none"> <li>Established ICAO Airworthiness Panel (Annex 8) work group to study and implement risk-based validation</li> <li>Promoting continued operational safety data sharing and risk assessment process alignment.</li> </ul>

## Complementary Stakeholder Actions:

- Bilateral Partner FCAAs demonstrate commitment to agreements.**
  - Collaborate in regulatory policy development
  - Risk-based validation
  - Proactively share safety data and collaboration on COS
  - System oversight
- ICAO supports the issuance of coordinated and universally applicable standards and recommended practices.**

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## The Strategy for AIR Transformation



# Benefits of Transformation





**Federal Aviation  
Administration**



[www.faa.gov/go/AIRTransformation](http://www.faa.gov/go/AIRTransformation)

# Comments & Questions