



U.S. Department  
of Transportation

**Federal Aviation  
Administration**

Office of the Administrator

800 Independence Ave., S.W.  
Washington, D.C. 20591

September 30, 2019

The Honorable Sam Graves  
Committee on Transportation  
and Infrastructure  
House of Representatives  
Washington, DC 20515

Dear Congressman Graves:

As required by the FAA Modernization and Reform Act of 2012, Pub. L. 112-95 (the Act), Section 315, the Federal Aviation Administration (FAA) is pleased to provide the enclosed report.

The Act directs the FAA to provide an annual report on the Flight Standards Air Carrier Evaluation Program (ACEP), including the Administrator's findings and recommendations with respect to the program. This is the FAA's sixth annual report on the ACEP. In Fiscal Year 2015, the FAA instituted the Certificate Holder Evaluation Process (CHEP). The CHEP replaced the ACEP with the introduction of the Safety Assurance System.

We have sent identical letters to Chairman Wicker, Chairman DeFazio, and Senator Cantwell.

Sincerely,

A handwritten signature in black ink that reads "Steve Dickson". The signature is written in a cursive, flowing style.

Steve Dickson  
Administrator

Enclosure



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September 30, 2019

The Honorable Maria Cantwell  
Committee on Commerce,  
Science, and Transportation  
United States Senate  
Washington, DC 20510

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The Honorable Peter A. DeFazio  
Chairman, Committee on Transportation  
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House of Representatives  
Washington, DC 20515

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September 30, 2019

The Honorable Roger F. Wicker  
Chairman, Committee on Commerce,  
Science, and Transportation  
United States Senate  
Washington, DC 20510

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FEDERAL AVIATION  
ADMINISTRATION

**Annual Report to Congress:  
Certificate Holder Evaluation Program  
FY 2018**

**FAA Modernization and Reform Act of 2012 (P.L. 112-95) –  
Section 315**

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## Introduction

The Federal Aviation Administration (FAA) Modernization and Reform Act of 2012 (the Act) Section 315 requires the FAA to annually submit a report on the Flight Standards Evaluation Program (FSEP), including the Administrator's findings and recommendations with respect to the program as follows:

*(b) ANNUAL REPORT TO CONGRESS. — Not later than 1 year after the date of enactment of this Act, and annually thereafter, the Administrator shall submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a report on the Flight Standards Evaluation Program, including the Administrator's findings and recommendations with respect to the program.*

This report meets this requirement. The FSEP program referenced in section 315 was established under FS1100.1B for auditing each FAA Flight Standards field office's processes to ensure standardization and quality assurance. FS1100.1B established general FAA organizational policies and standards. The Air Carrier Evaluation Process (ACEP) was used to audit and review air carrier inspections and operations. It was established under FAA Order 8900.1, to meet the intent and requirements of Section 315. The ACEP program was developed in response to the recommendations in 2008 from the Independent Review Team (IRT)<sup>1</sup> and the DOT Office of Inspector General (OIG).<sup>2</sup>

In Fiscal Year (FY) 2015, the FAA instituted the Certificate Holder Evaluation Process (CHEP). The CHEP replaced the ACEP with the introduction of the Safety Assurance System (SAS). The CHEP provides the Flight Standards Service (FS) and the Office of Security and Hazardous Materials Safety (ASH) with standard policies and procedures to evaluate Title 14 of the Code of Federal Regulations (14 CFR) parts 121, 135, and 145 certificate holders.

### Certificate Holder Evaluation Process (CHEP)

The CHEP is conducted in accordance with FAA Order 8900.1, Volume 10, Safety Assurance System Policy and Procedures, Chapter 8, Section 1, Safety Assurance System: Certificate Holder Evaluation Process. A CHEP will be scheduled on all 14 CFR

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<sup>1</sup> Department of Transportation's (DOT) Independent Review Team (IRT) Blue Ribbon Panel report "Managing Risks In Civil Aviation: A Review of the FAA's Approach to Safety" (September 2008): Recommendation 10 – "The FAA should deploy the Internal Assistance Capability (IAC) recently established, to review the composition and conduct of any office or team identified under recommendation 6.4.2."

<sup>2</sup> Memorandum from Calvin L. Scovel III, DOT Inspector General, to Acting Federal Aviation Administrator, June 30, 2008, "Review of FAA's Safety Oversight of Airlines and Use of Regulatory Partnership Programs," Federal Aviation Administration Report Number AV-2008-057. Recommendation 7 – "Create a national review team to conduct periodic quality assurance reviews of FAA's oversight of air carrier to ensure that (a) appropriate processes and procedures are being applied consistently and (b) pertinent policies, laws, and regulations are being followed."

part 121 certificate holders. The procedures outlined in the process will be used to conduct such evaluations.

The National CHEP Team validates regulatory compliance using SAS Modules 1 through 5. Results are recorded in the SAS database. Analysis and assessment results are based on the data collected and recorded in Module 5, Assessment Determination. Any action relative to the certificate holder is initiated by the Certificate Management Team (CMT) in Module 5 by adding actions in the AITT (Action Item Tracking Tool).

The CHEP provides an in-depth look at one or more certificate holder systems and has three primary goals:

- Verify that the certificate holder's systems and sub-systems comply with applicable regulations;
- Evaluate whether the certificate holder is operating at the highest possible degree of safety in the public interest in accordance with Title 49 of the United States Code (49 USC) § 44702; and
- Identify hazards and mitigate associated risks.

Certificate holders are selected for evaluation approximately 12 months after initial certification and through a random selection process with a plan for each certificate holder to be evaluated at least once every 5 years. Under the Risk Based Decision Making (RBDM) concept, occasionally the higher risk of a particular certificate holder requires the National CHEP team to modify the schedule. An average of three certificate holders per quarter are selected for evaluation and may include one large certificate holder (55 or more aircraft), one medium certificate holder (26–54 aircraft), and one small certificate holder (25 or fewer aircraft), or combination thereof.

The Safety Analysis and Promotion Division's Certification and Evaluation Program Office (CEPO) reviews various databases when scheduling evaluations for National CHEPs. This review may cause the National CHEP Team to alter the CHEP scheduling priority. These databases include facts such as accidents and incidents, enforcement activities, pilot deviations, past assessments, financial condition and other information.

The FAA's CHEP process complies with the requirements of Section 315(a)(2) of the Act, as no individual may be assigned to a National CHEP if that person had responsibility for inspecting, or overseeing the inspection of the operations of that certificate holder in the five-year period preceding the date of the evaluation.<sup>3</sup>

The National CHEP provides the FAA with the following:

- Consistent application of regulations/policy across all certificate-holding district offices;
- An independent evaluation of air carrier compliance;
- Standardization of the oversight process;
- Alerts for a system malfunction;

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<sup>3</sup> FAA Order 8900.1, Volume 10, Chapter 8, Section 1. Effective Date: 09/13/2016, Page 7 of 10.

- Identification of inconsistencies in regulatory philosophies; and
- Data on Element Design Assessment (EDA) and Element Performance Assessment (EPA) results that can be trended.

### National CHEP Accomplishments

The FAA's Certification and Evaluation Program Office of the Safety Analysis and Promotion Division (AFS-900) administers the CHEP program. CHEP assessments are accomplished by eight teams of Aviation Safety Inspectors (ASIs). In FY 2018, the FAA conducted 12 CHEP assessments.

Table 1 shows the number of EDA, EPA, and SPA elements, and Custom Assessments that were evaluated in each CHEP in FY 2018.

**Table 1**  
**National CHEPs by Certificate Holder in FY 2018:**  
**Elements and Activities Evaluated**

Fiscal Year/ Quarter	Operator	Operator Size	EDA Elements	EPA Elements	SPA Elements	Custom
FY 2018 Q1	USA Jet Airlines	M	8	19	0	6
	VIA Airlines Inc	S	4	17	0	0
FY2018 Q2	Champlain Enterprises	S	6	18	0	1
	Envoy Air Inc	L	2	17	0	0
	Gulf and Carribean Air Cargo	M	2	15	0	0
	Horizon Air Inc	L	2	20	0	9
	Kaiser Air	S	0	15	0	5
	Spirit Airlines	L	2	26	0	3
FY 2018 Q3	Frontier Airlines	L	6	23	0	4
	Skywest Airlines Inc	L	3	18	1	3
FY2018 Q4	Mountain Air Cargo	M	5	18	0	4
	Empire Airlines	S	4	14	1	4
<b>Total</b>	<b>12 Operators</b>		<b>44</b>	<b>220</b>	<b>2</b>	<b>39</b>

*Certificate Holder Size Categories: L = 55 or more aircraft, M = 26-54 aircraft, S = 25 or fewer aircraft*

Table 2 shows all EDA and EPA elements completed to date under the CHEP program. The shaded part of table indicates the "core elements" that are recommended for inclusion in each CHEP. The core elements are shaded in all tables. The National CHEP Team selects the specific EDA and EPA elements to be included in each CHEP based on the certificate holder's operation.

Table 2

## EDA and EPA Elements Included in All FY2018 CHEP Assessments Combined

<i>System/Subsystem/Element (Number - Name)</i>	<b>Element Design Assessments Completed</b>	<b>Element Performance Assessments Completed</b>	<b>Total</b>
1.1.3 Continuous Analysis and Surveillance System (CASS)	6	9	15
1.1.4 Reliability Program	1	1	2
1.2.2 Manual Management	1	1	2
2.1.1 Training of Flight Crewmembers	6	5	11
2.1.2 Training of Check Airmen and Instructors	5	2	7
2.1.4 Outsource Crewmember Training	0	1	1
2.2.1 Airmen Duties / Flight Deck Procedures	0	9	9
2.3.1 Appropriate Operational Equipment	0	3	3
3.1.1 Training and Qualification of Dispatchers and Flight Followers	10	5	15
3.1.2 Dispatcher Duty/Rest Time	1	0	1
3.3.1 Operational Control	1	12	13
3.3.2 Dispatch/Flight Release	0	12	12
3.3.3 Flight/Load Manifest/Weight and Balance Control Procedures	1	12	13
3.3.4 MEL / CDL / NEF Procedures (Ops)	0	12	12
3.3.5 Extended Operations (ETOPS)	0	1	1
4.1.1 RII Personnel	0	1	1
4.1.3 Maintenance/RII Training Program	1	0	1
4.2.1 Maintenance / Inspection Requirements	0	12	12
4.2.2 Maintenance / Inspection Schedule	0	7	7
4.2.3 AD Management	0	11	11
4.2.4 Recordkeeping (AW)	1	6	7
4.2.5 Maintenance Control	0	5	5
4.3.2 Required Inspection Items	0	2	2
4.3.3 MEL/CDL/NEF and Other Deferred Maintenance (AW)	0	8	8
4.3.4 Major Repairs & Alterations	0	7	7
4.3.5 Extended Operations (ETOPS)	0	1	1
4.4.4 Aircraft Acceptance Process	1	3	4
4.5.1 Facilities	0	1	1
4.5.2 Maintenance Providers	1	12	13
4.5.3 (AW) Line Stations	0	9	9

**Table 2 (Continued)**

**EDA and EPA Elements Included in All FY2018 CHEP Assessments Combined**

<i>System/Subsystem/Element (Number - Name)</i>	<b>Element Design Assessments Completed</b>	<b>Element Performance Assessments Completed</b>	<b>Total</b>
5.1.1 Training of Flight Attendants	0	5	5
5.2.1 Crewmember Duties / Cabin Procedures	2	7	9
5.2.2 Carry-on Baggage Program	3	7	10
5.2.3 Exit Seating Program	1	7	8
5.2.4 Passenger Handling	1	7	8
6.1.2 Hazardous Material Training Program	0	1	1
6.2.1 Fueling	1	0	1
6.2.4 Line Station Operations / Ground Personnel Duties (Ops)	0	5	5
6.3.3 Cargo Handling Equipment, Systems, and Appliances	0	4	4
6.3.4 Carriage of Cargo	0	2	2
6.4.1 Operations in Ground Icing (AW)	0	3	3
6.4.2 Operations in Ground Icing	0	2	2

Table 3 includes elements for a custom assessment. A Custom Data Collection Tool (C DCT) assesses data outside the planned EPA or EDA. C DCTs can be used for focused inspections, special emphasis oversight, and to collect data on specific areas of immediate concern outside of the normal planning schedule.

**Table 3**

**Custom Elements Included in All FY2018 CHEP Assessments Combined**

<i>System/Subsystem/Element (Number - Name)</i>	<b>Custom Assessments Completed</b>
1.1.4 Reliability Program	1
2.1.1 Training of Flight Crewmembers	2
2.1.2 Training of Check Airmen and Instructors	1
2.1.6 Advanced Qualification Program (AQP)	1
2.2.1 Airmen Duties / Flight Deck Procedures	3
3.1.1 Training and Qualification of Dispatchers and Flight Followers	1
3.3.1 Operational Control	3
3.3.2 Dispatch/Flight Release	2
4.1.3 Maintenance / RII Training Program	2
4.2.1 Maintenance / Inspection Requirements	1

**Table 3 (Continued)**  
**Custom Elements Included in All FY2018 CHEP Assessments Combined**

<i>System/Subsystem/Element (Number - Name)</i>	<b>Custom Assessments Completed</b>
4.2.4 Recordkeeping (AW)	2
4.3.3 MEL/CDL/NEF and Other Deferred Maintenance (AW)	2
4.3.5 Extended Operations (ETOPS)	1
4.4.3 Short-Term Escalations	1
4.4.4 Aircraft Acceptance Process	1
4.5.2 Maintenance Providers	1
4.6.1 Avionics Special Emphasis Programs	1
4.6.2 Maintenance Special Emphasis Programs	1
5.1.1 Training of Flight Attendants	2
5.2.3 Exit Seating Program	1
6.2.4 Line Station Operations / Ground Personnel Duties (Ops)	1
A320 Classic remote non reversible raft procedure design	1
Custom Weight and Balance (CFT Custom DA-AW)	1
Custom Weight and Balance (CFT Custom DA-OP)	1
Exit Seating Flight Attendant Manual Design	1
Maintenance Provider Audit System Design	1
NEF Procedures – Custom DCT	1
Pilot Training Performance- Ground School FY18Q3	1
Pilot Training Performance- Simulators CHEPFY18Q3	1

Table 4 items were conducted as a System/Subsystem Performance Assessment (SPA). A SPA is based on a specific interval. Intervals are defined as 6 months (high criticality), 1 year (medium criticality), or 2 years (low criticality). Criticality is the likelihood that a failure of a certificate holder's or applicant's system, subsystem, or element could lead to an unsafe condition.

- High criticality. A high likelihood that a failure in the certificate holder's or applicant's system, subsystem, or element could lead to an unsafe condition.
- Medium criticality. A moderate likelihood that a failure in the certificate holder's or applicant's system, subsystem, or element could lead to an unsafe condition.
- Low criticality. A low likelihood that a failure in the certificate holder's or applicant's system, subsystem, or element could lead to an unsafe condition.

**Table 4**

**SPA Elements Included in All FY2018 CHEP Assessments Combined**

<i>System/Subsystem/Element (Number - Name)</i>	<b>System/Subsystem Performance Assessment</b>
5.2 Onboard Operations	1
5.2 Cabin Operations	1

**National CHEP Results - Assessment Determination Options (ADO) Scores**

An outcome of the SAS business process is the ADO Score. The SAS Analysis, Assessment and Action (AAA) procedures and tools are used to make a bottom-line assessment to determine whether or not the certificate holder’s system design meets the standards for acceptance or approval (for EDAs) and to determine if the certificate holder’s system performs as intended by regulations in such a way that it controls hazards (for EPAs).

The SAS analysis and assessment contains the processes for making a decision about whether to approve, accept, or reject the performance or design of a certificate holder’s or applicant’s program. The process requires Element Design DCT (ED DCT) or Element Performance DCT (EP DCT) question reviews for that element. This includes “No” responses and explanations, “Yes” responses and comments, responses by question category and drop-down menu subjects, questions responded to as “Not Applicable,” and text entered in the “Inspector Action Taken” box. The CEPO assesses the data analysis package, comparing analyzed and assessed ED DCT/EP DCT data for the current EDA or EPA with historical data and other data for the Element. After assessing the SAS analysis package, it is determined whether the certificate holder’s system design for that element meets the requirements for either continued approval or acceptance, or initial approval or acceptance.

For an EDA or EPA, once the bottom-line assessment is complete, the assessment is accepted or rejected and assigned a numerical ADO score from 1 to 4, as described in Table 5. The planning of corrective actions is conducted under the standards of a SAS business module.

**Table 5  
Assessment Determination Options Scores**

<b>ADO Score</b>	<b>Assessment Result</b>		<b>Action Required</b>
<b>1-Green</b>	Performance or Design Affirmed	No issues or findings observed	No action required
<b>2-Yellow</b>	Performance or Design Affirmed	Minor, nonregulatory issues observed	Action required

**Table 5 (Continued)**  
**Assessment Determination Options Scores**

<b>ADO Score</b>	<b>Assessment Result</b>		<b>Action Required</b>
<b>3-Yellow</b>	Performance or Design Affirmed	Nonsystematic regulatory issues observed	Action required
<b>4-Red</b>	Performance or Design Not Affirmed with Action Required	Regulatory and/or Systemic issues observed	Action required

The ADO scores assigned in CHEP assessments in FY 2018 are shown in Table 6.

**Table 6**  
**ADO Scores Assigned in FY 2018 CHEP Assessments**

<b>ADO Score</b>	<b>Element Design Assessments</b>		<b>Element Performance Assessments</b>	
	<b>Number of Elements</b>	<b>Percent of EDAs</b>	<b>Number of Elements</b>	<b>Percent of EPAs</b>
<b>1-Green</b>	3	6.82%	76	34.55%
<b>2-Yellow</b>	17	38.64%	85	38.64%
<b>3-Yellow</b>	17	38.64%	55	25.00%
<b>4-Red</b>	7	15.91%	4	1.82%
<b>Total</b>	<b>44</b>	<b>100.00%</b>	<b>220</b>	<b>100.00%</b>
	<b>Custom Assessments</b>		<b>System / Subsystem Assessments</b>	
	<b>Number of Elements</b>	<b>Percent of Customs</b>	<b>Number of Elements</b>	<b>Percent of Customs</b>
<b>1-Green</b>	7	17.95%	0	0.00%
<b>2-Yellow</b>	14	35.90%	0	0.00%
<b>3-Yellow</b>	16	41.03%	1	50.00%
<b>4-Red</b>	2	5.13%	1	50.00%
<b>Total</b>	<b>39</b>	<b>100.00%</b>	<b>2</b>	<b>100.00%</b>

Note: Rounded to 100%

The specific elements that were given the highest ADO score of 4-Red during CHEPs in FY 2018 are listed in Table 7.

**Table 7**  
**National CHEP -- Elements in FY 2018 Assigned ADO Scores of 4-Red**

Element	EDA	EPA	C DCT	SPA
1.1.3 Continuous Analysis and Surveillance System (CASS)	1	1	0	0
3.1.1 Training and Qualification of Dispatchers and Flight Followers	1	0	0	0
3.1.2 Dispatcher Duty/Rest Time	1	0	0	0
4.2.1 Maintenance / Inspection Requirements	0	1	1	0
4.5.2 Maintenance Providers	1	1	0	0
5.2 Cabin Operations	0	0	0	1
5.2.2 Carry-on Baggage Program	2	1	0	0
5.2.3 Exit Seating Program	1	0	0	0
NEF Procedures – Custom DCT	0	0	1	0
<b>Total</b>	<b>7</b>	<b>4</b>	<b>2</b>	<b>1</b>

Tables 8 through 11 show the average ADO scores for each of the core CHEP elements for FY 2018, sorted by the average score received across all the assessments of each element. The EDA core element with the highest average score of 4.0 were 3.1.2 Dispatcher Duty / Rest Time, 4.5.2 Maintenance Providers, 5.2.3 Exit Seating Program. The SPA core element with the highest score of 4.0 was 5.2 Cabin Operations. The C DCT core elements with the highest average score of 4.0 were 4.2.1 Maintenance / Inspection Requirements, and NEF Procedures. Note that scores for non-core elements are not shown individually, but are included in the totals.

**Table 8**  
**National CHEP Assessment Scores for Individual Core Elements with Totals of Scores for All Elements Combined – FY 2018 – Element Design Assessments**  
*Sorted by Average Score*

Element	1-G	2-Y	3-Y	4-R	Total Assessments	Average Score**
<b>Element Design Assessments (EDAs)</b>	<i>Number of Times Score was Assigned</i>					
3.1.2 Dispatcher Duty/Rest Time	0	0	0	1	1	<b>4.0</b>
4.5.2 Maintenance Providers	0	0	0	1	1	<b>4.0</b>
5.2.3 Exit Seating Program	0	0	0	1	1	<b>4.0</b>
5.2.2 Carry-on Baggage Program	0	0	1	2	3	<b>3.7</b>
1.2.2 Manual Management	0	0	1	0	1	<b>3.0</b>
3.3.1 Operational Control	0	0	1	0	1	<b>3.0</b>

Element	1-G	2-Y	3-Y	4-R	Total Assessments	Average Score**
<b>Element Design Assessments (EDAs) (Continued)</b>	<i>Number of Times Score was Assigned</i>					
5.2.1 Crewmember Duties / Cabin Procedures	0	0	2	0	2	3.0
5.2.4 Passenger Handling	0	0	1	0	1	3.0
3.1.1 Training and Qualification of Dispatchers and Flight Followers	1	1	7	1	10	2.8
1.1.3 Continuous Analysis and Surveillance System (CASS)	0	4	1	1	6	2.5
2.1.2 Training of Check Airmen and Instructors	1	2	2	0	5	2.2
1.1.4 Reliability Program	0	1	0	0	1	2.0
2.1.1 Training of Flight Crewmembers	1	4	1	0	6	2.0
3.3.3 Flight/Load Manifest/Weight and Balance Control Procedures	0	1	0	0	1	2.0
4.1.3 Maintenance/RII Training Program	0	1	0	0	1	2.0
4.2.4 Recordkeeping (AW)	0	1	0	0	1	2.0
4.4.4 Aircraft Acceptance Process	0	1	0	0	1	2.0
6.2.1 Fueling	0	1	0	0	1	2.0
<b>All DAs (Core &amp; Non-Core)*</b>	<b>3</b>	<b>17</b>	<b>17</b>	<b>7</b>	<b>44</b>	<b>2.6</b>

**Table 9**  
**National CHEP Assessment Scores for Individual Core Elements with Totals of Scores for All Elements Combined – FY 2018 – Element Performance Assessments**  
*Sorted by Average Score*

Element	1-G	2-Y	3-Y	4-R	Total Assessments	Average Score**
<b>Element Performance Assessments (EPAs)</b>	<i>Number of Times Score was Assigned</i>					
2.1.4 Outsource Crewmember Training	0	0	1	0	1	3.0
4.3.2 Required Inspection Items	0	0	2	0	2	3.0
4.5.2 Maintenance Providers	0	4	7	1	12	2.8
5.1.1 Training of Flight Attendants	1	0	4	0	5	2.6

Element	1-G	2-Y	3-Y	4-R	Total Assessments	Average Score**
<b>Element Performance Assessments (EPAs) (Continued)</b>	<i>Number of Times Score was Assigned</i>					
5.2.1 Crewmember Duties / Cabin Procedures	0	3	4	0	7	2.6
4.5.3 (AW) Line Stations	1	3	5	0	9	2.4
4.2.1 Maintenance / Inspection Requirements	2	4	5	1	12	2.4
1.1.3 Continuous Analysis and Surveillance System (CASS)	1	5	2	1	9	2.3
2.2.1 Airmen Duties / Flight Deck Procedures	2	2	5	0	9	2.3
2.1.1 Training of Flight Crewmembers	1	2	2	0	5	2.2
1.1.4 Reliability Program	0	1	0	0	1	2.0
2.1.2 Training of Check Airmen and Instructors	1	0	1	0	2	2.0
2.3.1 Appropriate Operational Equipment	0	3	0	0	3	2.0
4.3.5 Extended Operations (ETOPS)	0	1	0	0	1	2.0
4.5.1 Facilities	0	1	0	0	1	2.0
5.2.2 Carry On Baggage Program	3	2	1	1	7	2.0
6.2.4 Line Station Operations / Ground Personnel Duties (Ops)	0	5	0	0	5	2.0
4.3.3 MEL/CDL/NEF and Other Deferred Maintenance (AW)	2	5	1	0	8	1.9
4.2.2 Maintenance / Inspection Schedule	3	2	2	0	7	1.9
5.2.3 Exit Seating Program	2	4	1	0	7	1.9
3.3.2 Dispatch/Flight Release	4	6	2	0	12	1.8
3.1.1 Training and Qualification of Dispatchers and Flight Followers	2	2	1	0	5	1.8
3.3.1 Operational Control	5	5	2	0	12	1.8
6.3.3 Cargo Handling Equipment, Systems, and Appliances	2	1	1	0	4	1.8
4.3.4 Major Repairs & Alterations	4	1	2	0	7	1.7
4.4.4 Aircraft Acceptance Process	1	2	0	0	3	1.7
6.4.1 Operations in Ground Icing (AW)	2	0	1	0	3	1.7
4.2.5 Maintenance Control	2	3	0	0	5	1.6
5.2.4 Passenger Handling	4	2	1	0	7	1.6

Element	1-G	2-Y	3-Y	4-R	Total Assessments	Average Score**
<b>Element Performance Assessments (EPAs) (Continued)</b>	<i>Number of Times Score was Assigned</i>					
3.3.3 Flight/Load Manifest/Weight and Balance Control Procedures	7	4	1	0	12	1.5
4.2.4 Recordkeeping (AW)	4	1	1	0	6	1.5
6.3.4 Carriage of Cargo	1	1	0	0	2	1.5
4.2.3 AD Management	6	5	0	0	11	1.5
3.3.4 MEL / CDL / NEF Procedures (Ops)	7	5	0	0	12	1.4
1.2.2 Manual Management	1	0	0	0	1	1.0
3.3.5 Extended Operations (ETOPS)	1	0	0	0	1	1.0
4.1.1 RII Personnel	1	0	0	0	1	1.0
6.1.2 Hazardous Material Training Program	1	0	0	0	1	1.0
6.4.2 Operations in Ground Icing	2	0	0	0	2	1.0
<b>All PAs (Core &amp; Non-Core)*</b>	<b>76</b>	<b>85</b>	<b>55</b>	<b>4</b>	<b>220</b>	<b>1.9</b>

**Table 10**  
**National CHEP Assessment Scores for Individual Core Elements with Totals of Scores for All Elements Combined – FY 2018**  
**System/Subsystem Performance Assessments**  
*Sorted by Average Score*

Element	1-G	2-Y	3-Y	4-R	Total Assessments	Average Score**
<b>System/Subsystem Performance Assessments (SPAs)</b>	<i>Number of Times Score was Assigned</i>					
5.2 Cabin Operations	0	0	0	1	1	4.0
5.2 Onboard Operations	0	0	1	0	1	3.0
<b>All SPA (Core &amp; Non-Core)</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>3.5</b>

**Table 11**  
**National CHEP Assessment Scores for Individual Core Elements with Totals of**  
**Scores for All Elements Combined – FY 2018 – Custom Assessments**  
*Sorted by Average Score*

Element	1-G	2-Y	3-Y	4-R	Total Assessments	Average Score**
<b>Custom Assessments (CDCTs)</b>	<i>Number of Times Score was Assigned</i>					
4.2.1 Maintenance / Inspection Requirements	0	0	0	1	1	4.0
NEF Procedures – Custom DCT	0	0	0	1	1	4.0
2.1.6 Advanced Qualification Program (AQP)	0	0	1	0	1	3.0
3.1.1 Training and Qualification of Dispatchers and Flight Followers	0	0	1	0	1	3.0
3.3.2 Dispatch/Flight Release	0	0	2	0	2	3.0
4.4.3 Short-Term Escalations	0	0	1	0	1	3.0
4.5.2 Maintenance Providers	0	0	1	0	1	3.0
4.6.1 Avionics Special Emphasis Programs	0	0	1	0	1	3.0
4.6.2 Maintenance Special Emphasis Programs	0	0	1	0	1	3.0
A320 Classic remote non reversible raft procedure design	0	0	1	0	1	3.0
Pilot Training Performance- Ground School FY18Q3	0	0	1	0	1	3.0
Pilot Training Performance- Simulators CHEPFY18Q3	0	0	1	0	1	3.0
4.2.4 Recordkeeping (AW)	0	1	1	0	2	2.5
5.1.1 Training of Flight Attendants	0	1	1	0	2	2.5
3.3.1 Operational Control	0	2	1	0	3	2.3
4.1.3 Maintenance / RII Training Program	1	0	1	0	2	2.0
4.3.3 MEL/CDL/NEF and Other Deferred Maintenance (AW)	0	2	0	0	2	2.0
4.3.5 Extended Operations (ETOPS)	0	1	0	0	1	2.0
4.4.4 Aircraft Acceptance Process	0	1	0	0	1	2.0
5.2.3 Exit Seating Program	0	1	0	0	1	2.0
6.2.4 Line Station Operations / Ground Personnel Duties (Ops)	0	1	0	0	1	2.0

Element	1-G	2-Y	3-Y	4-R	Total Assessments	Average Score**
<b>Custom Assessments (CDCTs) (Continued)</b>	<i>Number of Times Score was Assigned</i>					
Custom Weight and Balance (CFT Custom DA-AW)	0	1	0	0	1	2.0
Custom Weight and Balance (CFT Custom DA-OP)	0	1	0	0	1	2.0
Exit Seating Flight Attendant Manual Design	0	1	0	0	1	2.0
Maintenance Provider Audit System Design	0	1	0	0	1	2.0
2.2.1 Airmen Duties / Flight Deck Procedures	2	0	1	0	3	1.7
1.1.4 Reliability Program	1	0	0	0	1	1.0
2.1.1 Training of Flight Crewmembers	2	0	0	0	2	1.0
2.1.2 Training of Check Airmen and Instructors	1	0	0	0	1	1.0
<b>All Customs (Core &amp; Non-Core)*</b>	<b>7</b>	<b>14</b>	<b>16</b>	<b>2</b>	<b>39</b>	<b>2.3</b>

\*Scores for non-core elements are not shown individually, but are included in the totals.

\*\*Avg Score = the sum of (each ADI Score x number of times the score was assigned)/ by total assessments.

Applicable to Tables 8 - 11

## **Actions Taken as a Result CHEP Findings**

The FAA addresses any CHEP element scored 2, 3, or 4 and ensures any associated risk is mitigated to an acceptable level. Listed below are some of the most common corrective actions taken, in general order of most serious to less serious:

- Suspension of Certificate: If identified safety problems are severe, the FAA can suspend the operating certificate of a certificate holder.
- Initiation of Enforcement Investigation Report (EIR): An EIR is initiated under FAA Order 2150.3B, FAA Compliance and Enforcement Program, if a certificate holder is conducting operations contrary to applicable FAA regulations.
- Custom DCT (C DCT): A Custom DCT allows data collection activities to be requested by Principal Inspectors to inspect and collect data on specific areas of immediate concern outside of the normal assessment schedule.
- Planning of Additional EPA, EDA, or SPA (System/Subsystem Performance Assessment): Inspection activities not previously scheduled can be added to the CMT work plan to provide additional surveillance of particular areas of concern.
- Notification to Certificate Holder: Particular findings of the assessment process can be formally transmitted to the certificate holder.

## **Findings and Recommendations**

The FAA continues to find CHEP assessments to be a valuable addition to the Part 121 air carrier oversight program, meeting the intent of Section 315. The CHEP program provides additional technical expertise to identify issues that were difficult to recognize at the field office level and provides information and training to managers and inspectors to increase their knowledge and skill set. The CHEP program provides senior FAA management with an additional oversight tool to identify regional and national trends.

Three CHEPs are scheduled each quarter since each certificate holder is to be evaluated at least once every 5 years; however, that number may be modified due to Agency priorities. The priority for a carrier to be evaluated sooner may be a result of being identified by the RBDM process as having a higher criticality score. The proposed actions taken as a result of the ACEP assessment have been eliminated from the CHEP reporting. Under the ACEP process the results were included in ATOS since the information collected could not be saved to the database without knowing the proposed action. In SAS that is not the case. When the CHEP assessment is closed out the responsible office decides on the corrective action. Flight Standards will continue to review the CHEP program and make necessary improvements as needed.

As a result of this report, two recommendations are made:

1. With the implementation of 14 CFR part 5 – Safety Management Systems (SMS), which requires organizations operating under the current 14 CFR part 121 to develop an implementation plan for an SMS and implement their SMS within three years of implementation plan approval, the FAA recommends that the National CHEP team include focused oversight of the certificate holder’s compliance with 14 CFR part 5.
2. In order to perform oversight of a 14 CFR part 121 certificate holder’s compliance with 14 CFR part 5, the FAA recommends the inclusion of five key 14 CFR part 5 design elements and ten key 14 CFR part 5 performance elements to the list of primary core elements to be accomplished during a CHEP