U.S. Department
of Transportation

**Federal Aviation
Administration**

Office of the Administrator

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

January 8, 2018

The Honorable Bill Shuster
Chairman, Committee on Transportation
and Infrastructure
House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

As required by the FAA Modernization and Reform Act of 2012, H.R. 658 (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 fifth annual report on the ACEP.

We have sent identical letters to Chairman Thune, Senator Nelson, and Congressman DeFazio.

Sincerely,

Daniel K. Elwell
Acting Administrator

Enclosure

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of Transportation

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Office of the Administrator

800 Independence Ave., S.W.
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January 8, 2018

The Honorable Bill Nelson
Committee on Commerce,
Science, and Transportation
United States Senate
Washington, DC 20510

Dear Senator Nelson:

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800 Independence Ave., S.W.
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January 8, 2018

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

Dear Congressman DeFazio:

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January 8, 2018

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Chairman, Committee on Commerce,
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United States Senate
Washington, DC 20510

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FEDERAL AVIATION ADMINISTRATION

Annual Report to Congress: Certificate Holder Evaluation Program FY 2016

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

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Introduction

On February 14, 2012, President Obama signed into law 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 has been prepared to fulfill that requirement. The FSEP program referenced in Section 315 was established under FS1100.1B for the auditing of each individual FAA Flight Standards field office's processes to ensure standardization and quality assurance and not for the auditing or review of air carrier inspections or operations. A different program, the Air Carrier Evaluation Process (ACEP), 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)[1] and the DOT Office of Inspector General (OIG).[2]

Beginning 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 (AFS) and the Office of Hazardous Materials Safety (ADG) 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

[1] 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."

[2] 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(s) relative to the certificate holder is initiated by the Certificate Management Team (CMT) in Module 5, Add Actions.

The CHEP allows for 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 us to modify the schedule. Potentially this could result in a certificate holder not being evaluated within the 5 year criteria though we do not see this occurring in the foreseeable future. An average of three certificate holders per quarter are selected for evaluation and may include 1 large certificate holder (55 or more aircraft), 1 medium certificate holder (26–54 aircraft), and 1 small certificate holder (25 or fewer aircraft), or combination thereof.

The FAA also reviews various databases when scheduling evaluations for National CHEPs. This review may cause the FAA 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.

We note that 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.[3]

The National CHEP provides the FAA with the following:

- Open collaboration with the certificate-holding district offices for consistent application of regulations/policy within the oversight process;
- An independent evaluation of air carrier compliance;
- Alerts for a system malfunction;

[3] 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 Flight Standards National Field Office (AFS-900) Certification and Evaluation Program Office (CEPO) administers the CHEP program. The CHEP assessments are accomplished by eight teams of Aviation Safety Inspectors (ASIs). In FY 2016, the FAA conducted ten CHEP assessments.

Table 1 shows the number of EDA and EPA elements and Custom Assessments that were evaluated in each CHEP in FY 2016.

Table 1
National CHEPs by Certificate Holder in FY 2016:
Elements and Activities Completed

Fiscal Year/ Quarter	Operator	Operator Size	EDA Elements	EPA Elements	Custom
FY 2016 Q1	Aerodynamics	S	3	14	0
	Atlas Air	M	4	20	0
	Polar	M	2	16	0
	TEM Enterprises	S	3	26	1
FY2016 Q2	American Airlines	L	0	23	4
	Western Global Airlines	S	4	6	11
FY 2016 Q3	Allegiant Air	L	10	22	9
FY2016 Q4	Ameristar Air Cargo	S	7	24	0
	Eastern Airlines Group	S	0	19	5
	Great Lakes	S	4	19	8
Total	**10 Operators**		**37**	**189**	**38**

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 that have been completed to date under the CHEP program. The table also indicates the "core elements" (with shading) that are recommended for inclusion in each CHEP. The FAA 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 FY 2016 CHEP Assessments Combined

Element	Element Design Assessments Completed	Element Performance Assessments Completed	Total
1.1.2 Safety Program (Ground and Flight)		1	1
1.1.3 Continuous Analysis and Surveillance System	8	4	12
1.2.1 Part 119 Required Personnel (OPS)		1	1
1.3.1 Part 119 Required Personnel (AW)		1	1
1.3.2 Manual Management		1	1
2.1.1 Training of Flight Crew Members	8	1	9
2.1.2 Training of Check Airmen and Instructors	7		7
2.1.3 Simulators/Training Devices		1	1
2.1.5 Appropriate Airmen/Crewmember Checks & Quals		1	1
2.1.7 Flight Crewmember Flight/Duty/Rest Time		1	1
2.2.1 Airmen Duties/Flight Deck Procedures		9	9
3.1.1 Training and Qualification of Dispatchers and Flight Followers	4		4
3.3.1 Operational Control		7	7
3.3.2 Dispatch/Flight Release		8	8
3.3.3 Flight/Load Manifest/Weight & Balance Control		10	10
3.3.4 MEL/CDL/NEF Procedures	1	8	9
3.3.5 Extended Operations (ETOPS)	1	2	3
4.1.3 Maintenance/Required Inspection Item (RII) Training Program	1		1
4.2.1 Maintenance/Inspection Requirements		8	8
4.2.2 Maintenance/Inspection Schedule	1	8	9
4.2.3 AD Management		7	7
4.2.4 Recordkeeping		9	9
4.2.5 Maintenance Control Functions		3	3
4.3.1 Airworthiness Release/Maintenance Log Requirements		3	3
4.3.2 Required Inspection Items (RII)		6	6
4.3.3 MEL/CDL/NEF and Other Deferred Maintenance	1	8	9
4.3.4 Major Repairs & Alterations	1	9	10
4.3.5 ETOPS		3	3
4.5.1 Maintenance Facility/Main Maintenance Base		1	1

Element	Element Design Assessments Completed	Element Performance Assessments Completed	Total
4.5.2 Maintenance Providers		8	8
4.5.3 Line Stations		9	9
4.7.1 Control of Calibrated Tools & Test Equipment		2	2
4.7.2 Aircraft Parts/Material Control		1	1
5.1.1 Training of Flight Attendants	3	1	4
5.2.1 Crewmember Duties/Cabin Procedures		8	8
5.2.2 Carry-on Baggage Program		8	8
5.2.3 Exit Seating Program		7	7
5.2.4 Passenger Handling		8	8
6.2.1 Fueling		2	2
6.2.2 De-Icing		2	2
6.2.3 OP De-Icing Program		1	1
6.2.4 Line Station Operations/Ground Personnel Duties		6	6
6.3.1 Carriage of Cargo	1	3	4
6.3.3 Cargo Handling Equipment Systems & Appliances		2	2
Total	37	189	226

Note: CHEP core elements are shaded

Table 3 items were identified 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 Assessment Elements Included in All FY 2016 CHEPs

Element	Custom Assessments Completed
1.3.2 Manuals	1
2.1.1 Training of Flight Crew Members	1
2.1.2 Training of Check Airmen and Instructors	1
2.2.1 Airmen Duties / Flight Deck Procedures	1
2.3.1 Appropriate Operational Equipment (Aircraft Conformity)	1
3.1.1 Training and Qualification of Dispatchers and Flight Followers	1

Element	Custom Assessments Completed
3.2.1 A/C Operating Limitations	1
3.3.3 Flight/Load Manifest/ Weight and Balance Control	1
3.3.4 MEL/CDL/NEF Procedures	1
4.2.1 Maintenance Programs	2
4.2.3 AD Management	2
4.2.4 - Recordkeeping	1
4.4.2 MIS/SDR	1
4.4.4 Aircraft Acceptance Process	1
4.5.2 Maintenance Providers	2
5.1.1 Training of Flight Attendants	2
5.2.3 Exit Seating Program	1
6.2.3 De-Icing Program	1
6.2.4 Line Station Operations / Ground Personnel Duties	1
6.3.3 Cargo Handling Equipment Systems and Appliances	1
AALA Pilot International Ground School	1
Aircraft Conformity Evaluation (2.3.1)	1
Aircraft Conformity Evaluation (4.2.1)	1
Aircraft Parts (4.7.2)	1
Conformity AW	1
Conformity Cabin Safety	1
Conformity OPS	1
FA Drill Training Design	1
Flight deck Checklist design aspect	1
Handwritten notes on approved checklists	1
Instrument Major Repairs Classification	1
Maintenance Programs and Facilities (4.2.1, 4.2.2, 4.5.1)	1
Major Repairs Design	1
Training of F/As Design	1

Note: CHEP core elements are shaded

National CHEP Results - Assessment Determination Options

An outcome of the SAS business process is the assessment determination. 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. Specifically, 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 FAA 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 assessment determination from 1 to 4, as described in Table 4. The planning of corrective actions to be taken is conducted under the standards of a SAS business module as well.

Table 4
Assessment Determination Option

Assessment Determination	Assessment Result		Action Required
1-Green	Performance or Design Affirmed	No issues or findings observed	No action required
2-Yellow	Performance or Design Affirmed	Minor, non-regulatory issues observed	Action required
3-Yellow	Performance or Design Affirmed	Non-systemic regulatory issues observed	Action required
4-Red	Performance or Design Not Affirmed with Action Required	Regulatory and/or Systemic issues observed	Action required

The assessment determinations assigned in CHEP assessments in FY 2016 are shown in Table 5.

Table 5
Assessment Determinations Assigned in FY 2016 CHEP Assessments

Assessment Determination	Element Design Assessments		Element Performance Assessments		Custom Assessments	
	Number of Elements	Percent of EDAs	Number of Elements	Percent of EPAs	Number of Elements	Percent of Customs
1-Green	5	14%	52	28%	5	13%
2-Yellow	16	43%	62	33%	24	63%
3-Yellow	13	35%	53	28%	9	24%
4-Red	3	8%	22	12%	0	0%
Total	**37**	**100%**	**189**	**100%**	**38**	**100%**

The specific elements that were given the most serious assessment determination of 4-Red during CHEPs in FY 2016 are listed in Table 6.

Table 6
National CHEP -- Elements in FY 2016 Assigned Assessment Determination of 4-Red

Element	EDA	EPA
1.1.3 Continuous Analysis and Surveillance System	1	
5.1.1 Training of Flight Attendants	2	
1.1.3 Continuous Analysis and Surveillance System		1
3.3.1 Operational Control		1
3.3.3 Flight / Load Manifest / Weight and Balance Control		1
4.2.1 Maintenance Programs		3
4.2.2 Maintenance /Inspection Schedule		3
4.2.4 Recordkeeping		1
4.3.1 Airworthiness Release		1
4.3.2 Required Inspection Items		2
4.3.4 Major Repairs and Alterations		3
4.5.3 Line Stations		1
5.2.1 Crewmember Duties / Cabin Procedures		2
6.2.1 Fueling		2
6.2.2 De-Icing		1
Total	**3**	**22**

Note: CHEP core elements are shaded

Table 7 shows the average assessment determinations for each of the core CHEP elements for FY 2016, sorted by the average score received across all the assessments of each element. The EDA core element with the highest average score was 5.1.1 Training of Flight Attendants averaging a score of 3.3. The EPA core element with the highest average score was 6.2.1 Fueling averaging a score of 4.0. The EPA core element with the next highest average score was 1.3.2 Airworthiness Manual Management averaging a score of 3.0.

Table 7
National CHEP Assessment Scores for Individual Core Elements with Totals of Scores for All Elements Combined* – FY 2016 – *Sorted by Average Score*

Element	1-G	2-Y	3-Y	4-R	Total Assessments	Average Score**
Element Design Assessments (EDAs)	*Number of Times Score was Assigned*					
5.1.1 Training of Flight Attendants		1		2	3	***3.3***
4.2.2 Maintenance / Inspection Schedule			1		1	***3.0***
6.3.1 Carriage of Cargo			1		1	***3.0***
2.1.1 Training of Flight Crewmembers		3	5		8	***2.6***
2.1.2 Training of Check Airmen		4	3		7	***2.4***
1.1.3 Continuous Analysis and Surveillance System	1	4	2	1	8	***2.4***
3.1.1 Training and Qualification of Dispatchers / Flight Followers	1	2	1		4	***2.0***
4.1.3 Maintenance/RII Training Program		1			1	***2.0***
4.3.4 Major Repairs and Alterations		1			1	***2.0***
3.3.5 Extended Operations (ETOPS)	1				1	***1.0***
3.3.4 MEL / CDL / NEF Procedures	1				1	***1.0***
4.3.3 MEL/CDL/Deferred Maintenance	1				1	***1.0***
All DAs (Core & Non-Core)*	**5**	**16**	**13**	**3**	**37**	***2.4***

Element Performance Assessments (EPAs)	*Number of Times Score was Assigned*					
6.2.1 Fueling				2	2	***4.0***
1.3.2 AW Manual Management			1		1	***3.0***
4.3.2 Required Inspection Items (RII)	1		3	2	6	***3.0***
5.1.1 Training of Flight Attendants			1		1	***3.0***
6.2.2 De-Icing		1		1	2	***3.0***
6.3.3 Cargo Handling Equipment, Systems and Appliances			2		2	***3.0***
4.2.1 Maintenance Programs	1	2	2	3	8	***2.9***

Element	1-G	2-Y	3-Y	4-R	Total Assessments	Average Score**
4.2.2 Maintenance / Inspection Schedule		4	1	3	8	***2.9***
4.3.4 Major Repairs and Alterations	2	1	3	3	9	***2.8***
1.1.3 Continuous Analysis and Surveillance System		2	1	1	4	***2.8***
5.2.1 Crewmember Duties / Cabin Procedures	1	2	3	2	8	***2.8***
4.2.5 Maintenance Control		1	2		3	***2.7***
4.3.1 Airworthiness Release / Maintenance Log Requirements	1		1	1	3	***2.7***
5.2.2 Carry-on Baggage Program	1	1	6		8	***2.6***
4.7.1 Control of Calibrated Tools & Test Equipment		1	1		2	***2.5***
4.3.5 Extended Operations (ETOPS)	1		2		3	***2.3***
4.3.3 MEL/CDL/Deferred Maintenance	2	2	4		8	***2.3***
4.5.2 Maintenance Providers	1	4	3		8	***2.3***
4.2.4 Recordkeeping	3	2	3	1	9	***2.2***
4.5.3 Line Stations	2	4	2	1	9	***2.2***
3.3.1 Operational Control	2	3	1	1	7	***2.1***
2.2.1 Airman Duties / Flight Deck Procedures	1	6	2		9	***2.1***
2.1.1 Training of Flight Crewmembers		1			1	***2.0***
2.1.3 OP / Simulators / Training Devices		1			1	***2.0***
2.1.7 Flight Crewmember Flight/Duty/Rest		1			1	***2.0***
4.2.3 AD Management	3	1	3		7	***2.0***
4.5.1 Maintenance Facility / Main Maintenance Base		1			1	***2.0***
5.2.3 Exit Seating Program	2	3	2		7	***2.0***
6.2.3 OP/ De-Icing Program		1			1	***2.0***
3.3.3 Flight/Load Manifest/Weight and Balance Control	4	4	1	1	10	***1.9***
3.3.2 Dispatch / Flight Release	3	3	2		8	***1.9***
6.2.4 Line Station Operations / Ground Personnel Duties	1	5			6	***1.8***
6.3.1 Carriage of Cargo	2		1		3	***1.7***
3.3.5 Extended Operations (ETOPS)	1	1			2	***1.5***
5.2.4 Passenger Handling	5	2	1		8	***1.5***

Element	1-G	2-Y	3-Y	4-R	Total Assessments	Average Score**
1.1.2 Safety Program (Ground and Flight)	1				1	***1.0***
1.2.1 Part 119 Required Personnel (Operations)	1				1	***1.0***
1.3.1 Part 119 Required Personnel (Airworthiness)	1				1	***1.0***
2.1.5 OP / Appropriate Airmen / Crewmember Checks & Quals (Recurrent)	1				1	***1.0***
4.7.2 Aircraft Parts / Material Control	1				1	***1.0***
All PAs (Core and Non-Core)*	**45**	**60**	**54**	**22**	**181**	***2.3***

Custom Assessments (CDCTs)	*Number of Times Score was Assigned*					
2.1.1 Training of Flight Crewmembers			1		1	***3.0***
2.1.2 Training of Check Airmen			1		1	***3.0***
2.3.1 Appropriate Operational Equipment (Aircraft Conformity)			1		1	***3.0***
3.3.3 Flight/Load Manifest/Weight and Balance Control			1		1	***3.0***
4.2.4 Recordkeeping			1		1	***3.0***
FA Drill Training Design			1		1	***3.0***
4.5.2 Maintenance Providers		1	1		2	***2.5***
5.1.1 Training of Flight Attendants		1	1		2	***2.5***
1.3.2 AW Manual Management		1			1	***2.0***
2.2.1 Airman Duties / Flight Deck Procedures		1			1	***2.0***
3.2.1 A/C Operating Limitations		1			1	***2.0***
4.2.1 Maintenance Programs		2			2	***2.0***
4.2.3 AD Management	1		1		2	***2.0***
4.4.2 MIS/SDR		1			1	***2.0***
4.4.4 Aircraft Acceptance Process		1			1	***2.0***
4.7.2 Aircraft Parts / Material Control		1			1	***2.0***
5.2.3 Exit Seating Program		1			1	***2.0***
6.2.3 OP/ De-Icing Program		1			1	***2.0***
6.2.4 Line Station Operations / Ground Personnel Duties		1			1	***2.0***
6.3.3 Cargo Handling Equipment, Systems and Appliances		1			1	***2.0***

Element	1-G	2-Y	3-Y	4-R	Total Assessments	Average Score**
Aircraft Conformity Evaluation (2.3.1)		1			1	***2.0***
Conformity (AW)		1			1	***2.0***
Conformity (Cabin Safety)		1			1	***2.0***
Conformity (OPS)		1			1	***2.0***
Flight deck Checklist design aspect		1			1	***2.0***
Instrument Major Repairs Classification		1			1	***2.0***
Maintenance Programs and Facilities (4.2.1, 4.2.2, 4.5.1)		1			1	***2.0***
Major Repairs Design		1			1	***2.0***
Training of F/AS Design		1			1	***2.0***
3.1.1 Training and Qualification of Dispatchers / Flight Followers	1				1	***1.0***
3.3.4 MEL / CDL / NEF Procedures	1				1	***1.0***
Aircraft Conformity Evaluation (4.2.1)	1				1	***1.0***
Handwritten notes on approved checklists	1				1	***1.0***
All Customs (Core & Non-Core)*	**5**	**23**	**9**	**0**	**37**	***2.1***

**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.*

Comparison of CHEP Assessment Scores to Scores from Prior Assessment of that Element by the CMT

The assessment determination from each CHEP element at each certificate holder was compared to the ADI score from the prior ACEP and CHEP assessments of that element conducted by the local CMT. Tables 8-13 provide the necessary visuals.

Table 8
FY2016 CHEP Assessment Scores
Number of elements

Score	EDA	EPA	Total
1	5	52	57
2	16	62	78
3	13	53	66
4	3	22	25
Total	**37**	**189**	**226**

Table 9
FY2016 CHEP Assessment Scores
Percent of elements from CHEPs

Score	EDA	EPA	Total
1	13.5%	27.5%	25.2%
2	43.2%	32.8%	34.5%
3	35.1%	28.0%	29.2%
4	8.1%	11.6%	11.1%
Total	**100%**	**100%**	**100%**

Table 10
Prior CMT Scores (ATOS)

Number of elements

Score	DA	PA	Custom	Total
1	16	94	8	110
2	2	15	3	17
3	6	10	1	16
4	5	11	3	16
5	2	16	0	18
6	1	0	0	1

Table 11
Prior CMT Scores (ATOS)

Percent of elements w/ prior CMT scores

Score	DA	PA	Custom	Total
1	50.0%	64.4%	53.3%	61.8%
2	6.3%	10.3%	20.0%	9.6%
3	18.8%	6.8%	6.7%	9.0%
4	15.6%	7.5%	20.0%	9.0%
5	6.3%	11.0%	0.0%	10.1%
6	3.1%	0.0%	0.0%	0.6%

Table 12
Prior CMT Scores (SAS)

Number of elements

Score	DA	PA	Custom	Total
1	1	25	5	31
2	1	27	10	38
3	0	4	0	4
4	0	14	0	14

Table 13
Prior CMT Scores (SAS)

Percent of elements w/ prior CMT scores

Score	DA	PA	Custom	Total
1	50.0%	35.7%	33.3%	35.6%
2	50.0%	38.6%	66.7%	43.7%
3	0.0%	5.7%	0.0%	4.6%
4	0.0%	20.0%	0.0%	16.1%

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. The most common corrective actions taken, in general order of most serious to less serious, are as follows:

- 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 2150.3 if a certificate holder is (or has been) conducting operations contrary to applicable FAA regulations.
- Custom DCT (C DCTs): A C 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

The FAA continues to find the CHEP assessments to be a valuable addition to the 14 CFR part 121 air carrier oversight program, meeting the intent of Section 315. Through support to the FAA field offices, the CHEP program provides additional technical expertise to identify issues that were difficult to recognize at that level and provided information and training to managers and inspectors that increased their knowledge and skill sets. The CHEP program provides senior FAA management with an additional oversight tool to identify regional and national trends.

The FAA discontinued the use of ATOS at the end of FY 2015, and as a result ceased the ACEP assessments as of FY 2016. The FAA has implemented SAS to replace ATOS, and provides CHEP assessments as the replacement for ACEP assessments. Three CHEPs are scheduled per quarter, but that number may be modified due to Agency priorities. The proposed actions to be 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 because the data could not be saved to the data base 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. The FAA will continue to review the CHEP program and improve it when and where warranted.