



News Release

FOR IMMEDIATE RELEASE

6 May 2008

Sweeping condemnation of Transport Canada's approach to aviation safety

Ottawa – In the rush to hand-off responsibility for air safety to the airlines themselves, Transport Canada failed to assess the risks inherent in this approach and maintain safety during this transition to Safety Management Systems (SMS), according to the Auditor General of Canada.

The Auditor General also found that Transport Canada does not know what is the appropriate mix of proper safety oversight of the industry and how many aviation inspectors are required to deliver it.

"Transport Canada has thrown caution to the wind when it comes to safety. For the past 3 years, Transport Canada has reduced safety oversight in favour of giving responsibility to the industry itself without any knowledge of the risks involved for the travelling public or ways to mitigate them," said Captain Greg Holbrook, Chairman of the Canadian Federal Pilots Association.

Sheila Fraser also found that Transport Canada has failed to measure the impact on safety of the shift of resources to SMS.

"Without understanding the risks, Transport Canada cancelled key oversight programs like the National Audit Program, and canceled enforcement actions on serious infractions of safety regulations in order to implement SMS," Holbrook said.

Sheila Fraser found that Transport Canada's aviation inspectorate of licenced pilots and engineers has declined by 8% even though the Department lacks a national human resources plan to ensure adequate staffing, recruitment and training of safety inspectors.

In her sweeping condemnation of Transport Canada's implementation of Safety Management Systems, the Auditor General found these shortcomings:

- 15% of Transport Canada inspectors have not received initial basic inspector training and an additional 15% have not received recurrent training;
- There is no national data base tracking inspectors qualifications;
- Transport Canada has not identified how many inspectors and engineers it needs with what skills.

The Auditor General's review of Transport Canada's aviation safety oversight did not examine the second main pillar of SMS – delegation of licencing and oversight to industry lobby groups.

The first such delegation occurred in January 2003 when Transport Canada handed off licencing and safety oversight to the Canadian Business Aviation Association – a lobby group for business aircraft operators.

A startling review of the CBAA's Safety management System has found that business aircraft like the corporate plane that crashed last month near Wainwright, Alberta have operated without any independent safety oversight for more than five years, according to documents obtained via the Access to Information Program.

The March 2007 audit found its safety program, known as a Safety Management System or SMS, "does not provide any planned or structured oversight of private operators".

The Transport Canada audit and related documents which have only now come to light also found that the CBAA:

- does not collect and analyze safety data and risk factors
- does not punish private operators for safety violations so there are no consequences for violating the rules
- lacks procedures for suspending or cancelling an operator certificate in the event of serious safety problems
- does not track its own safety program to ensure it meets government standards

The CBAA does not have a team of aviation inspectors which travels to audit individual operators of business aircraft, as Transport Canada once did. Instead, the business aircraft operators contract the audit service from a private supplier, thereby eliminating third party independence in the audit process altogether.

Transport Canada will soon delegate safety oversight to lobby groups in the helicopter sector and airports.

"These findings make a mockery of Transport Canada assertion that Safety Management Systems are an additional layer of safety and their insistence that this is not a shift to self-regulation of aviation safety," said Holbrook.

Recent revelations of widespread safety violations and maintenance problems among airlines in the United States and concerns that The Federal Aviation Administration – the US aviation regulator – has become too cozy with the industry should give Canadians pause because Canada's regulator is giving away its responsibility for safety to the industry itself.

-30-

For information:

Jim Thompson 613-447-9592

What is SMS?

According to Marc Grégoire, Transport Canada's ADM for safety and security: "SMS is very much based on a partnership between the operator and the regulator..."¹

It's a partnership deal in which the airlines and other aviation licence holders take more responsibility for safety. Determination of acceptable risk levels is handed off to the airlines which decide what is safe enough for the traveling public.

In turn Transport Canada agrees to back off direct regulatory oversight and in some cases delegate licencing and supervision to industry lobby groups. Transport Canada has already killed key oversight programs and closed enforcement proceedings for companies with an SMS as incentives to encourage self-reporting.

In addition, Transport Canada has put in place a number of "incentives" to encourage the industry to self-report violation of safety regulations.

The deal features a "get out of jail" free provision: airlines which self-report violations are guaranteed immunity from Transport Canada enforcement. The airlines are supposed to fix safety problems themselves, with little intervention from the regulator.

Amendments to the Aeronautics Act which are currently before Parliament in Bill C-7 would ensure that any violations or problems that are reported to government will never be available to the public or media for public scrutiny under the *Access to Information Act*.

Even though these "incentives" are intended to encourage operators to provide Transport Canada more safety information these data will be unverified because TC no longer has enough inspectors to check-up as they once did.

Under SMS, Transport Canada inspectors become desk-bound system auditors, inspecting more paperwork than airplanes and relying on information supplied by the industry.

¹ House of Commons Standing Committee on Transport, Infrastructure and Communities Transcript, June 15, 2006.