



Number: OPS SN-2018/03

Issued: 25 April 2018

Failing operators

This Safety Notice contains recommendations regarding operational safety.

Recipients are asked to ensure that this Safety Notice is copied to all members of their staff who may have an interest in the information (including any 'in-house' or contracted maintenance organisations and relevant outside contractors).

Applicability: All Part CAT Operators

1. Introduction

- 1.1 Operators generally comply with promulgated regulations and technical standards and achieve high safety standards. From time to time, some Operators fall below the safety standard required following initial certification.
- 1.2 This Safety Notice serves to inform all operators on the notice and warning procedure that shall be used when the Authority becomes aware that an Operator's performance is declining towards an unacceptable standard and sets out the appropriate, proportionate response to varying degrees of non-compliance.
- 1.3 The General Manager Safety Regulation throughout the processes described in this Safety Notice shall keep the Chief Executive Officer of the Authority informed of the situation and the intentions of the Inspectorate and Division.

2. Basis for Regulatory Action

- 2.1 The Authority has to be satisfied that an Operator can carry out operations safely. This is done by getting confirmation that they are compliant with the various associated Requirements. This determination is made as part of the results of the established safety oversight programme.
- 2.2. Sufficient grounds exist to provisionally suspend an AOC if issues of significant non-compliance are found. Audits of Operators are more likely to find minor non-compliances that do not in themselves have a serious impact on the Operator's ability to maintain adequate safety standards but combined together indicate problem areas.

- 2.3 Every case is different and needs to be judged on the individual circumstances. Confidence in an Operator's ability to properly manage the safety of their activity and remain in compliance can be reduced in a number of ways and examples of what could prompt action are:
- Level 1 findings;
 - Repetitive level 2 findings, including a failure to identify root causes of findings or a superficial attitude to findings;
 - Significant incidents together with a failure to properly investigate and deal with the root causes;
 - An increasing number of incidents, indicating an underlying systemic failure;
 - Trends indicated by repetitive non-response to the safety oversight audits processes in the required manner (time intervals, root cause, corrective action proposals, corrective closure actions, repetitive changes in target dates etc...);
 - A general trend in the operator's inability to keep critical safety related documents up to date (eg. Operations Manual, MEL, AMP etc...);
 - Poor management attitude to compliance;
 - A management that prefers solutions that simply address the detail of the finding and that is unwilling or unable to put measures in place that address the root cause of non-compliances; and
 - Unstable or ineffective management. Instability can be caused by changes in structure, personnel, or both.
- 2.4 The notice and warning procedure applies where standards are clearly falling, but not yet to the extent that confidence in the Operator's ability to operate safely has been lost. If confidence has been lost the only course of action is to suspend the AOC.
- 2.5 The warning procedure and subsequent action resulting from the process may affect the whole Air Operators Certificate (AOC) or just a specific approval. Possible resulting actions could be:
- AOC suspension
 - AOC revocation
 - Approval restrictions and conditions
 - Approval suspension
- 3. Initial "On Notice" Procedure Action**
- 3.1 When a Flight Operations Inspector starts to lose confidence in an Operator's ability to operate safely, the Head of Flight Operations and Flight Crew Licensing Inspectorate shall be notified. The Head of Flight Operations and Flight Crew Licensing Inspectorate shall advise the General Manager Safety Regulation of the matter including the facts.
- 3.2 A meeting with the relevant post holders will be initiated by the Head of Flight Operations and Flight Crew Licensing Inspectorate and the operator advised that unless improvements are made, then further regulatory action will be initiated. In certain instances where there has

been ample discussions and correspondence on the matter prior, the meeting may not be required.

- 3.3 A formal letter to the effect that the operator has been placed “On Notice” shall be issued by the Head of Flight Operations and Flight Crew Licensing Inspectorate including details of the circumstances.
- 3.4 A remedial plan shall be requested and should be provided by the Operator addressed to the Head of Flight Operations and Flight Crew Licensing Inspectorate who shall act as the focal point in this phase. The remedial plan shall address the causes of reducing confidence and shall be submitted within 7 days of the “On Notice” procedures action date. The remedial plan should provide objectives that can be measured, including specific time scales, which will keep the process on track.
- 3.5 The remedial plan should clearly state the actions to be taken; by whom; where and when. The remedial plan should be presented by the relevant post holder to the Head of Flight Operations and Flight Crew Licensing Inspectorate.
- 3.6 A remedial period of 30 days shall be established from the date of the notice where the Inspectorate will continue to monitor the Operator’s response and progress towards addressing safety concerns being raised in accordance with a formal remedial plan.

4. Remedial Plan Completion

- 4.1 When the Operator has completed the remedial plan and demonstrates to the satisfaction of the Flight Operations Inspector and Head of Flight Operations and Flight Crew Licensing Inspectorate that operations can safely be carried out to the satisfaction of the Inspectorate, then the Operator should be informed in writing that the “On Notice” period is completed.
- 4.2 This may be demonstrated by positive and active steps towards reviewing the concerns being raised, putting a workable remedial plan in motion to address deficiencies and clearly visible efforts towards implementing corrective action.

5. Subsequent “Warning” Procedure Action

- 5.1 In cases where the operator fails to satisfy the Inspectorate that operations can safely be carried out to the satisfaction of the Inspectorate in the “On Notice” period, then the Head of Flight Operations and Flight Crew Licensing Inspectorate shall refer the matter to the General Manager Safety Regulation.
- 5.2 A meeting with the relevant post holders will be initiated by the Head of Flight Operations and Flight Crew Licensing Inspectorate and the operator advised that “On Notice” period has elapsed without satisfactorily meeting the criteria specified in 4.2. The meeting shall be attended by the following persons:
 - General Manager Safety Regulation
 - Head of Flight Operations and Flight Crew Licensing Inspectorate
 - Flight Operations Inspector
 - Accountable Manager
 - Relevant nominated post holders

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- 5.3 It shall be made clear to the operator that the “On Notice” period failed and unless improvements are made, then regulatory action will be taken.
- 5.4 A formal letter to the effect that the operator has been issued with a formal “Warning” shall be issued by the Head of Flight Operations and Flight Crew Licensing Inspectorate and counter-signed by the General Manager Safety Regulation including details of the circumstances. The Operator shall be informed that failure to follow the recovery plan and achieve the required standard will result in suspension of the AOC or an approval.
- 5.5 A recovery plan shall be requested and should be provided by the Operator addressed to General Manager Safety Regulation who shall act as the focal point in this phase. The recovery plan shall address the causes of reducing confidence and shall be submitted within 7 days of the Warning procedures action date. The recovery plan should provide objectives that can be measured, including specific time scales, which will keep the process on track.
- 5.6 The recovery plan should clearly state the actions to be taken; by whom; where and when. The recovery plan should be presented by the accountable executive to General Manager Safety Regulation. This will present an opportunity to emphasise the need for adherence to the recovery plan and that any approvals held, and ultimately the AOC itself, will be in jeopardy if adequate action is not taken. It also gives an opportunity to give the message that it is Operator root cause, systemic and safety culture issues that need to be corrected.
- 5.7 A warning period of 60 days shall be established from the date of the notice where the Safety Regulation Division will continue to monitor the Operator’s response and progress towards addressing safety concerns being raised in accordance with a formal recovery plan.

6. Recovery Plan Completion

- 6.1 When the Operator has completed the recovery plan and demonstrates to the satisfaction of the Flight Operations Inspector and Head of Flight Operations and Flight Crew Licensing Inspectorate that operations can safely be carried out to the satisfaction of the Inspectorate then the Operator should be informed in writing that the “Warning” period is completed.
- 6.2 This may be demonstrated by active and positive steps towards reviewing the concerns being raised, putting a workable recovery plan in motion to address deficiencies and clearly visible efforts towards implementing corrective action.
- 6.3 The Flight Operations and Flight Crew Licensing Inspectorate shall keep the General Manager regularly updated on progress and shall recommend that the Operator is compliant with Requirements and the required safety standard have been met. The Flight Operations Inspector may have to carry out Checks to verify that the recovery plan has worked before making this recommendation.
- 6.5 The Annual Oversight Programme may have to be adjusted to include Checks that verify that standards are not again decreasing following completion of the recovery plan.

7. Recovery Plan Failure- Regulatory Action

- 7.1 In cases where the operator fails to satisfy the Flight Operations and Flight Crew Licensing Inspectorate that operations can safely be carried out to the satisfaction of the Division in the "Warning" period, then the Head of Flight Operations and Flight Crew Licensing Inspectorate shall inform the General Manager Safety Regulation and take immediate steps to recommend suspension of the AOC or Approval as appropriate and termination of the Inspectorate's Annual safety oversight programme.
- 7.2 This determination will be made if the timescales are not met or if the corrective action taken for recovery is inadequate then the only option available will be suspension of the AOC or of a specific approval, where this is more appropriate. For example it may not be necessary to suspend the AOC if the training system has failed but only the approval for training.
- 7.3 A recovery plan may be seen to be failing before completion and with evidence of standards continuing to fall to an unsafe level then suspension of the AOC or approval should be done. For this reason, the Flight Operations Inspector should closely monitor the Operator and the recovery plan actions for evidence of further declining safety standards.
- 7.4 Once a formal decision has been made by the Head of Flight Operations and Flight Crew Licensing Inspectorate in regards to the AOC or Approval, the operator shall be informed of the recommendation accordingly.
- 7.5 Any recommendation to suspend an AOC or approval should be evidence based and made jointly between the Flight Operations Inspector and Head of Flight Operations and Flight Crew Licensing Inspectorate.
- 7.6 The Chief Executive Officer of the Authority shall thereafter retain the final decision on the suspension or revocation of the AOC or Approval.
- 7.7 Should the Authority request the Inspectorate to perform any form of inspections or audits, this shall not be interpreted as the Operator being in compliance. The normal Annual safety oversight programme administered by the Inspectorate will only be re-instated once it is clearly established through a re-certification programme that the Operators is in compliance and competent.

8. Queries

- 8.1 Any queries as a result of this Safety Notice should be addressed to Head of Flight Operations and Flight Crew Licensing Inspectorate at the following e-mail address: hfo@scaa.sc

9. Cancellation

This Safety Notice cancels OPS SN-2014/06.

Head Flight Operations and Flight Crew Licensing Inspectorate