

ATTACHMENT Q
Excerpts from the Office Safety Inspection Program

(11 pages)

FINAL
OSIP REPORT

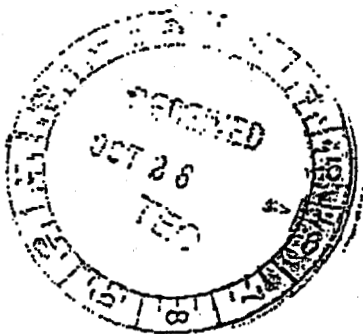
**DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION
FLIGHT STANDARDS DIVISION**

**OFFICE SAFETY INSPECTION PROGRAM
INSPECTION REPORT**

**FEDERAL EXPRESS CORPORATION
Certificate No. FDEA140A**

Memphis, Tennessee

February 1998 through April 1998



**TEAM MANAGER
WALTER H. BEVAN**

TABLE OF CONTENTS

EXECUTIVE SUMMARY

1.0	OPERATIONS	Page #
1.01	Management and Administration	4
1.02	Operations Specifications	5
1.03	Manuals and Procedures	6, 9
1.04	Operations / Training	10
1.05	Crewmember and Dispatcher Qualifications	11
1.06	Duty/Flight Time Limitations and Rest	
	Requirements	12, 13
1.07	Flight Operations	14
1.08	Flight Control	15
1.09	Operations Records	16
1.10	Facilities and Equipment	17

EXECUTIVE SUMMARY

In accordance with the Office Safety Inspection Program (OSIP), a team of safety inspectors from the Memphis Flight Standards District Office conducted an inspection of Federal Express Corporation from February 23, 1998, through April 3, 1998. Federal Express Corporation was issued Certificate Number FDEA140A, under FAR Part 121 as a supplemental cargo air carrier by the Memphis Flight Standards District Office on December 15, 1988. Their previous certificate was issued on March 7, 1972. The areas inspected are listed in the table of contents of this report.

The corporate headquarters of Federal Express Corporation are located at 2005 Corporate Ave., Third Floor, Memphis, Tennessee, 38132. Federal Express Corporation operates a total of 309 aircraft consisting of 163 Boeing 727's, 63 McDonnell Douglas DC-10's, 24 McDonnell Douglas MD-11's, 35 Airbus 310's, and 24 Airbus 300's.

Federal Express Corporation serves 212 countries and 325 airports worldwide. The company employs approximately 141,884, including 3,781 pilots and 2,216 mechanics.

Findings documented during the inspection that are being investigated for possible non-compliance with the Federal Aviation Regulations (FARs) are: Management and Administration, Manuals and Procedures, Operations Records, Duty/Flight Time Limitations and Rest Requirement, and Flight Operations.

Federal Express Corporation was found to have deviated from its approved or accepted procedures in the area of Manuals and Procedures.

Several findings in the areas of Manuals and Procedures, Operations/Training, Crewmember Qualifications, and Flight Control may indicate either systemic problems or a requirement for more management oversight.

Compliance issues discovered during the inspection were immediately brought to the attention of the Principal Operations Inspector. Those issues that could not be satisfactorily resolved became findings in the body of the report.

The team would like to thank Federal Express Corporation for the support given the team during the inspection.

1.03 MANUALS AND PROCEDURES

DESCRIPTION: Federal Express Corporation (FedEx) maintains a system of manuals at their Operations Facility located at 3131 Democrat Road, Memphis, Tennessee. The manuals system consists of individual manuals that are grouped in sets and assigned to various departments. The manuals are distributed in accordance with FAR 121.137. Each person to whom the manual is issued is responsible for its currency. The Company maintains the following manuals:

- Flight Operations Manual (FOM)
- Winter Operations Manual (WOM)
- Global Operations Control Policy and Procedures Manual (GOPPM)
- Flight Operations Training Manual (FOTM)
- Single Visit Training Manual - B-727 & DC-10
- Global Operations Control (GOC) Training Manual
- Aircraft Ramp Operations Manual
- Aircraft Operating Manuals - B-727, DC-10, A-300, MD-11
- Dangerous Goods Shipping Manual
- Special Airport Qualifications Manual
- Weight & Balance Manual
- General Maintenance Manual (GMM)

*List of Manuals may be found in Volume I of the GMM.

INSPECTION DATA: Inspection of Manuals and Procedures was conducted by reviewing all manuals side by side with the NASIP Checklist and the FARs. Inspectors involved in other Operations areas provided input on Manuals and Procedures pertaining to their areas.

FINDING 1.03.01: The Flight Operations Manual (FOM) does not contain the information required by FAR 119.65(e). This is contrary to FAR 119.65(e).

CHDO RESPONSE: Federal Express incorporated this regulatory requirement in manual revision #27 dated 9/1/98. Fed Ex was issued a Letter of Correction on June 5, 1998. (File No. 98so250067) This case is closed.

FINDING 1.03.02: The FOM does not contain a statement under "Flight Deck Authority" that each pilot in command is responsible for preflight planning and operation of the aircraft IAW FAR Part 121.537(e) and the Operations Specifications."

CHDO RESPONSE: Federal Express incorporated this regulatory requirement in manual revision #27 dated 9/1/98. Fed Ex was issued a Letter of Correction on June 5, 1998. (File No. 98so250067) This case is closed.

FINDING 1.03.03: The FedEx manual system does not contain a policy statement that communication and navigation facilities required for the flight must be in satisfactory condition before the person exercising operational control issues a release. (121.609)

CHDO RESPONSE: Federal Express incorporated this regulatory requirement in manual revision #27 dated 9/1/98. Fed Ex was issued a Letter of Correction on June 5, 1998. (File No. 98so250067) This case is closed.

FINDING 1.03.04: The FOM does not contain a procedure that requires a written report within 7 days to the Director of Operations if the Global Operations Control Specialist (flight follower) declares an emergency. (121.559(c))

CHDO RESPONSE: Federal Express incorporated this regulatory requirement in manual revision #27 dated 9/1/98. Fed Ex was issued a Letter of Correction on June 5, 1998. (File No. 98so250067) This case is closed.

FINDING 1.03.05: The FOM does not specifically state that when an FAA Inspector is conducting an inspection and he/she presents credentials they will be given free and uninterrupted access to the pilot's compartment of that aircraft. (121.548)

CHDO RESPONSE: Federal Express incorporated this regulatory requirement in manual revision #27 dated 9/1/98. Fed Ex was issued a Letter of Correction on June 5, 1998. (File No. 98so250067) This case is closed.

FINDING 1.03.06: The FOM does not specifically state that the forward observers seat or the observers seat selected by the Administrator must be made available when an FAA Inspector is conducting an enroute inspection. (121.581)
devices, flight simulators, and airplanes.

CHDO RESPONSE: Federal Express incorporated this regulatory requirement in manual revision #27 dated 9/1/98. Fed Ex was issued a Letter of Correction on June 5, 1998. (File No. 98so250067) This case is closed.

FINDING 1.03.07: The Flight Operations Manual (FOM) does not contain the information required by FAR 119.43(b)(1). The FOM does not clearly identify each excerpt as part of its Operations Specifications.

CHDO RESPONSE: Federal Express incorporated this regulatory requirement in manual revision #27 dated 9/1/98. Fed Ex was issued a Letter of Correction on June 5, 1998. (File No. 98so250067) This case is closed.

FINDING 1.03.08: The Flight Operations Manual (FOM) does not contain the information required by FAR 119.43(b)(2). The FOM does not state that compliance with the Ops. Specs. requirements are mandatory. This is contrary to FAR 119.43(b)(2).

CHDO RESPONSE: Federal Express incorporated this regulatory requirement in manual revision #27 dated 9/1/98. Fed Ex was issued a Letter of Correction on June 5, 1998. (File No. 98so250067) This case is closed.

1.06 DUTY/FLIGHT TIME LIMITATIONS AND REST REQUIREMENT

DESCRIPTION: Federal Express Corporation (FedEx) maintains flight and duty time records by the use of an extensive computer system which is divided as follows:

1. General proficiency and pre-duty qualification
2. Domestic flight time parameters
3. International flight time parameters

Each of these areas incorporate the applicable Federal Aviation Regulations and Federal Express work rules. These legalities are monitored by the appropriate departments which receive exception reports when these requirements are exceeded. These reports repeatedly print out until corrected.

INSPECTION DATA: Approximately one hundred flight and duty time records were audited for compliance with the applicable Federal Aviation Regulations. Hypothetical attempts to schedule an employee for a flight that would result in non-compliance was flagged and prevented. The Automated Crew Management System Approved Manual, Crew Resource Scheduling Initial Training Manual, and Flight Crewmembers Handbook were inspected.

FINDING 1.06.01: The Automated Crew Management System Manual has not been revised to provide procedures for monitoring four pilot crews to comply with FAR 121.509(a)&(b).

CHDO RESPONSE: Follow-up completed. The Computer Scheduling System has been tracking four pilot crews correctly. Both the Computer Scheduling System and ACMS Manual, Revision 2, June 22, 1998 show that the company monitors compliance with FAR 121.509 requirements.

FINDING 1.06.02: FedEx schedules flight crewmembers to be on reserve duty for twenty-four consecutive hour periods with a one hour response time. This is contrary to FAR 121.505(b), 121.507(b), 121.509(b), and 121.511(a).

CHDO RESPONSE: This area is under review in Washington. The CMU is waiting for further Higher Headquarters direction. Higher Headquarters assumes responsibility for resolution of revising / interpreting Flight and Duty time rules.

Federal Express Corporation
FDEA - 140A
SO FSDO-25
OSIP Inspection
Feb '98 - Apr. '98

FINDINGS:

CATEGORY:

1.01.01	A
1.03.01	A
1.03.02	B
1.03.03	B
1.03.04	B
1.03.05	B
1.03.06	B
1.03.07	B
1.03.08	B
1.05.01	A
1.06.01	B
1.06.02	A
1.07.01	A

Total : 13
Category A: 5
Category B: 8

