

Docket No. SA-540

Exhibit No. 1-I

NATIONAL TRANSPORTATION SAFETY BOARD

Washington, D.C.

Safety Recommendations A-14-22 and A-14-23

(8 Pages)



U.S. Department
of Transportation

**Federal Aviation
Administration**

Office of the Administrator

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

September 15, 2016

The Honorable Christopher A. Hart
Chairman, National Transportation
Safety Board
490 L'Enfant Plaza East, SW.
Washington, DC 20594

Dear Chairman Hart:

This is our final response to Safety Recommendations A-14-22 and -23 issued by the Board on May 1, 2014, and supplements our letter dated May 30, 2014. The Board issued these safety recommendations as a result of one incident and six accidents occurring September 5, 2012, through April 8, 2014, related to operators owned by HoTH, Inc. These recommendations address the compliance and safety programs in place and Federal Aviation Administration (FAA) oversight of operators owned by HoTH, Inc., including Hageland Aviation Services, Inc.; Frontier Flying Service; and Era Aviation, which may do business as Ravn Alaska, Ravn Connect, and Corvus Airlines.

A-14-22. Conduct a comprehensive audit of the regulatory compliance and operational safety programs in place at operators owned by HoTH, Inc., to include an assessment of their flight operations, training, maintenance and inspection, and safety management programs, and ensure that permanent corrective action is implemented for all adverse findings. This audit should be conducted by a team of inspectors from outside Alaska.

FAA Comment. As previously stated in our May 30, 2014, letter, the FAA assigned Aviation Safety Inspectors (ASIs) from outside of Alaska to conduct audits of Title 14, Code of Federal Regulations Part 121 and 135 operators owned by HoTH, Inc. In each audit, the FAA evaluated key flight operations, training, maintenance and inspection, and safety management programs associated with each aircraft make/model/series. The audits focused on compliance under parts 43, 91, 121, and 135, as well as related FAA advisory guidance and requirements. Our independent audits identified potential areas of weakness within HoTH carriers' systems through Certificate Management Teams (CMTs) and worked with each operator on corrective actions.

The FAA's Flight Standard's (AFS) National Field Office conducted the following audits in response to this safety recommendation.

HAGELAND (EPUA) dba, Ravn Alaska:

During April 28 – May 9, 2014, AFS conducted an audit of Hageland Aviation under part 135. Based upon findings, Hageland Aviation has implemented the following corrective actions in response to audit findings as required by this recommendation.

1. Hageland Aviation created and continues to conduct all flight operations under an Operations Control Center (OCC) at the Palmer, Alaska base of operations. All flights must have the approval of the OCC before takeoff. The OCC considers weather, pilot duty and rest requirements, and the airworthiness of the aircraft. The OCC system that Hageland has developed exceeds the requirements of a part 135 operation.
2. In response to the general maintenance issues which were prevalent throughout the company structure, Hageland has created and continues to maintain a Maintenance Control Center that is housed with the OCC. This allows direct communication between the two and any pilot that is conducting flight operations. This design is based on the maintenance control systems of many part 121 air carriers and works well with the size and scope of Hageland's operations.
3. In response to issues cited with the General Maintenance Manual (GMM), Hageland has submitted revisions addressing identified issues and those revisions have been accepted by the FAA.
4. In response to issues cited with the storage and labeling of aircraft parts, Hageland has redesigned base storage facilities at Palmer, Bethel, and Fairbanks. The redesign includes a standard for cleanliness, accessibility of parts, and clear accurate labeling. There is a control in place as all inventories and usage of parts is recorded and controlled by the Maintenance Control Center.
5. In response to the issues cited with the minimum equipment list for the Beechcraft 1900C (B-1900C), Hageland has submitted and the FAA has approved the required revisions.
6. In response to the Weight and Balance issues cited with the B-1900C cargo operations, Hageland has complied with all aspects and requirements of the supplemental type certificate previously in question.

CORVUS AIRLINES, INC. (7C7A) formerly dba, Era Alaska:

During October 6 – December 12, 2014, AFS performed a Certificate Holder Evaluation Program (CHEP) Audit of Corvus Airlines under part 121. The following corrective actions include actions taken by Corvus in response to the results of that evaluation as required by this recommendation.

1. In response to the issues cited regarding the Continuing Analysis and Surveillance System Program, the required revisions to the program have been submitted to and approved by the FAA.
2. In response to the issues cited with the GMM, the required revisions have been submitted and accepted by the FAA.
3. In response to the issues cited with the Flight Training Program, required revisions to the program have been implemented and approved by the FAA.

4. In response to the issues cited with the Check Airman and Instructor Training Program, the required submissions have been implemented and approved by the FAA.
5. In response to the issues cited with the Flight Attendant Training Program, the required submissions have been implemented and approved by the FAA.
6. In response to the issues cited with the Passenger Emergency Briefing Cards, the required revisions to the Briefing Cards have been made and approved by the FAA.
7. In response to the issues cited with the Carry On Baggage Program, the required revisions have been implemented and approved by the FAA.
8. In addition, it should be noted that Corvus made significant changes to its Management Team. The Director of Safety and Director of Maintenance were replaced. Corvus hired a dedicated Director of Technical Publications.
9. In early 2015, Corvus Airlines implemented an OCC, for information sharing between dispatchers and maintenance personnel.
10. In addition, Corvus has implemented a safety management system process within the organization.

FRONTIER FLYING SERVICE (FFS) dba, Frontier Alaska, Ravn Alaska:

During April 13 – 17, 2015, AFS conducted an audit using the CHEP. AFS also conducted a Safety Assurance System Certification and Evaluation Program Office evaluation on FFS in Fairbanks. All discrepancies have been recorded for surveillance activities. The CMT issued a Letter in June 2015 to FFS listing all discrepancies and requiring corrective actions for each to be completed and submitted to the CMT. A general description of findings and corrective actions taken in response to the conducted were submitted to AFS on January 16, 2016, as required by this recommendation.

Below are findings from our audit addressing sections from the FFS manual:

1. Maintenance/Inspection schedule: Several portions of Inspection program make reference to obsolete manuals. The Tool and Calibration program is maintained in accordance with GMM of FFS. However, there is no system in place to ensure positive control of tool calibration.
2. Record Keeping: GMM procedures were inadequate. Personnel were not recording the technical data used to perform repairs.
3. Release/Maintenance Log requirements: GMM procedures were inadequate and there were many references to aircraft that are not on the OpSpecs. Quarterly audits were not being performed to ensure currency of various company libraries.
4. Major Repairs/Alterations: GMM procedures were inadequate.
5. Weight and Balance: FFS is using an approved program from another operator (Arctic Circle Air). However weighing is being accomplished correctly.
6. Aircraft Parts/Material Control: GMM procedures were inadequate.

In response to these findings, FFS corrective actions included but are not limited to removing GMM references used in current operations, correcting references to former part 121 operations in the manual system, revising weight and balance manual information to clarify how the aircraft is to be weighed and implementing OpSpecs Corrections for the Weight and Balance Control Manual. These actions were implemented by FFS in January 2016.

A-14-23. Conduct a comprehensive audit of the Federal Aviation Administration (FAA) oversight of 14 Code of Federal Regulations Part 135 and Part 121 certificates held by operators owned by HoTH, Inc., and ensure that permanent corrective action is implemented for all adverse findings. This audit should be conducted by a team of inspectors from outside Alaska and should include a review of inspector qualifications, turnover, working relationships between the FAA and operators owned by HoTH, Inc., and workload to determine whether staffing is sufficient.

In our May 30, 2014, letter, the FAA evaluated the most efficient and effective method to assess inspector qualifications, workload, turnover, and staffing levels. An audit was conducted June 1-12, 2015, on FAA oversight responsibilities and relationships with designated certificate holders. The evaluation of FAA personnel and staff was conducted based on Human Resource Management guidance provided in the “FAA Position Classification Guide for Aviation Safety Inspector Positions (GS-1825).”

This guidance can be found at the following Web Site:

<https://www.opm.gov/policy-data-oversight/classification-qualifications/classifying-general-schedule-positions/standards/1800/gs1825.pdf>.

The audit did not reveal any deficiencies in the FAA’s oversight of the carriers owned by HoTH. However, the audits assessed inspector qualifications, workload, turnover, and working relationships. It was determined that all certificates are staffed in accordance with FAA policy, with a total of 17: 9 Principal Aviation Safety Inspectors, 4 Assistant Principal Inspectors, 1 Dispatch Safety Inspector, 1 Cabin Safety Inspector, and 2 Air Crew Program Managers. In the case of Hageland Aviation, the Assistant Inspectors that were added to the CMT exceed FAA staffing policy. Additionally, the FAA’s Geographic Program provides additional ASI resources from within the region and nation to conduct surveillance throughout each operator’s route system. Nonetheless, to further improve oversight, the Alaskan Region is establishing a new Polaris Certificate Management Office (CMO) to provide oversight and certificate management for part 135 large commuters (including Hageland Aviation) within the region. Hageland Aviation will be the largest of the certificates held by the new CMO.

The AFS National Field Office conducted the following audits in response to this safety recommendation:

HAGELAND (EPUA) dba, Ravn Alaska:

Responses to audit questions:

1. Inspector qualifications – The Principal Inspectors met all FAA qualification criteria to serve in their positions.
2. Turnover – There are no significant turnover issues.

3. Working relationships – The FAA Principals meet with the management of Hageland on a monthly basis. The relationship is very good and they have common goals to improve the safety of the operation.
4. Workload – The Principals for Hageland are dedicated to that certificate and have no other responsibilities for certificate management. The office has recently added an assistant operations inspector and an assistant airworthiness inspector. Workload is not a factor in providing adequate surveillance.

CORVUS AIRLINES, INC. (7C7A) formerly dba, Era Alaska:

Responses to audit questions:

1. Inspector qualifications – The Principal Inspectors met all FAA qualification criteria to serve in their positions.
2. Turnover – There are no significant turnover issues.
3. Working relationships – The FAA Principals meet with the management of Corvus on a monthly basis and have an Aviation Safety Action Program in use. The relationship is very good and they have common goals to improve the safety of the operation.
4. Workload – The Principals for Corvus are dedicated to that certificate and have no other responsibilities for certificate management. Workload is not a factor in providing adequate surveillance.

FRONTIER FLYING SERVICE (FFS) dba, Frontier Alaska, Ravn Alaska:

Responses to audit questions:

1. Inspector qualifications – The Principal Inspectors met all FAA qualification criteria to serve in their positions.
2. Turnover – FFS had few turnovers from 2012 to present.
3. Working relationships – The relationship is very good and common goals have been developed to improve the safety of the operation.
4. Workload – The Principals for Frontier are dedicated to that certificate and have no other responsibilities for certificate management. Workload is not a factor in providing adequate surveillance.

In conclusion, the audits conducted in response to Safety Recommendations A-14-22 and -23 revealed significant progress in addressing operational control and safety culture issues previously identified by the CMT. Carriers owned by HoTH Inc. have undergone significant positive changes in the areas of operations and maintenance. The most significant positive change has occurred in the safety culture of each carriers' management and personnel. Reports from HoTH Inc.'s internal safety reporting system have grown from 300 to over 1,500 annually, which is reflective of a positive trend in the safety culture and internal audit program. In addition, carriers owned by HoTH Inc. have implemented, and are using effectively, the principles of safety management in their daily operations. Audits confirmed that problems have been resolved and no additional safety concerns were identified. The FAA believes the audits

and evaluations conducted in response to these recommendations meet the Board's requirements. The FAA does not plan any further action related to these recommendations.

I believe the FAA has effectively addressed these safety recommendations and consider our actions complete.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael P. Huerta", with a circular flourish at the end.

Michael P. Huerta
Administrator

McCray LaSean

From: Rita.Maxwell [REDACTED]
Sent: Monday, September 19, 2016 11:45 AM
To: Correspondence; Deirdre.Breithaupt [REDACTED]; barbara.mccann [REDACTED]
Cc: Cherise.Ojo [REDACTED]
Subject: FAA Response Letter to NTSB A-14-22 and -23 Signed
Attachments: A-14-22 and -23 September 2016.pdf

Good morning All,

Please find the attached FAA's response to NTSB Safety Recommendations A-14-22 and -23.

Rita Maxwell-Cummings

Office of Accident Investigation and Prevention

Management Services & Recommendations Division, AVP-400

Federal Aviation Administration (FAA)

800 Independence Avenue SW

Washington DC 20591

Attitude

Never underestimate the power of a positive engaging attitude!

Character

Your character is your most effective means of Persuasion/Influence!

Enthusiasm

Nothing significant has ever been achieved without enthusiasm!