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AVIATION SAFETY

FAA's Efforts to Improve
Oversight of Foreign Carriers

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Mr. Chairman and Members of the Subcommittee:

We welcome the opportunity to testify on the Federal Aviation Administration's (FAA) efforts to improve its oversight of foreign countries' civil aviation safety programs, as well as their individual carriers that fly into the United States. As air travel becomes more global, the importance of this issue increases: More than 300 foreign carriers from over 90 countries are currently licensed to fly into and out of the United States. Responsibility for safety oversight is shared among several parties. Under an international agreement administered by the International Civil Aviation Organization (ICAO), overseeing the safety of air carriers is primarily the responsibility of the country in which the aircraft are registered.¹ Consistent with this agreement, FAA relies on the foreign country in which the aircraft are registered to make in-depth inspections of their carriers that fly into the United States. However, if FAA has evidence that a foreign-registered carrier operating in the United States is not meeting international safety standards, it can perform a more comprehensive inspection of the carrier, and works with foreign authorities to correct identified problems.

As early as 1991, this Subcommittee expressed concerns about the ability of some foreign governments to provide adequate oversight of their carriers flying into the United States. The Subcommittee subsequently asked us to review FAA's (1) efforts to assess the oversight capabilities of foreign countries, as well as FAA's inspections of individual foreign carriers that enter the United States; (2) efforts to ensure that enforcement actions are taken to correct serious safety violations; and (3) oversight of U.S.-registered, foreign-operated aircraft that subsequently could operate in the United States. We have issued three reports on these related issues.² Our testimony today is based on these reports.

In summary, although FAA has taken a number of steps to improve its oversight of foreign countries' civil aviation safety

¹In 1944, representatives of 52 countries, including the United States, met in Chicago to create a framework for international cooperation in developing civil aviation. These representatives created the International Civil Aviation Organization (ICAO), which developed safety standards that member countries must meet. Currently, ICAO has about 180 member countries.

²Aviation Safety: FAA and the State Department Can Better Manage Foreign Enforcement Cases (GAO/RCED-94-87, Mar. 17, 1994), Aviation Safety: Unresolved Issues Involving U.S.-Registered Aircraft (GAO/RCED-93-135, June 18, 1993), and Aviation Safety: Increased Oversight of Foreign Carriers Needed (GAO/RCED-93-42, Nov. 20, 1992).

programs and their individual carriers, we believe it could do more. The agency has completed assessments of the oversight capabilities of the civil aviation authorities of 30 foreign governments, and the Department of Transportation (DOT) has publicly announced the results of these assessments. Furthermore, FAA is working with foreign aviation authorities to improve their safety oversight programs and is increasing the frequency of its inspections of those carriers with identified safety deficiencies. In addition, FAA and the State Department have developed improved procedures for tracking enforcement cases referred to foreign governments for action. These are steps in the right direction and largely address the thrust of our prior recommendations. However, we believe that FAA can further refine its oversight efforts by implementing other recommendations we have made. These include (1) performing more comprehensive inspections of foreign carriers that have safety problems; (2) inspecting U.S.-registered, foreign-operated aircraft before they return to service in this country, particularly if they are from countries that do not meet international safety standards; and (3) following up to determine whether action has been taken to correct identified safety deficiencies.

FAA'S OVERSIGHT OF FOREIGN CIVIL AVIATION SAFETY PROGRAMS AND CARRIERS

In June 1991, FAA announced a new program to examine whether foreign civil aviation authorities are meeting their responsibilities to ensure that their carriers comply with international safety standards. FAA started this program because it was concerned that some countries were not adequately ensuring that their carriers flying into the United States met minimum ICAO standards.

As of September 1994, FAA had assessed 30 countries and determined that 17 met international safety standards, 9 did not, and 4 received conditional ratings. None of the air carriers from the nine noncomplying countries are allowed to fly into the United States. However, FAA is allowing airlines from these countries to make alternative arrangements for transporting passengers and cargo by using leased aircraft and crews from countries that the agency has found to have adequate oversight. The four countries given conditional ratings did not comply with safety standards in certain areas. Carriers from the countries that received conditional ratings can fly into this country under heightened FAA inspection. Furthermore, FAA is working with the civil aviation authorities in these four countries to implement corrective measures.

In countries that did not meet the standards, FAA found such deficiencies as the following: no operations or airworthiness inspectors; no aviation regulations, handbooks, or guidance; no technical expertise to carry out a surveillance program; and a lack of annual proficiency checks for pilots and crew. Some of the 17

countries now meeting their oversight responsibilities originally did not, and FAA has worked with them to address their safety oversight problems.

In September 1994, the Secretary of Transportation announced the names of the countries that FAA determined did not meet international standards as well as those allowed to operate on a conditional basis.³ DOT made this announcement to provide the public with more information about aviation safety in international travel.

In addition to working with the governments of other countries to assess and improve their civil aviation programs, FAA also inspects individual foreign air carriers when they fly into the United States. In our November 1992 report, we said that FAA's inspections of these foreign aircraft were primarily limited to examining aircraft markings, pilot licenses, and airworthiness certificates. While this level of review is consistent with international agreement, it represents only a limited inspection. However, under this agreement, FAA can also perform comprehensive inspections of the carrier's aircraft when its inspectors find serious deficiencies. A comprehensive inspection includes an examination of such areas as flight controls, fire protection, fuel levels, navigation systems, oxygen supply, and engine controls.

Consequently, to improve FAA's oversight of the capabilities of individual foreign air carriers, our report recommended that the agency perform comprehensive inspections of foreign carriers that fly into the United States when it finds that their home governments do not comply with international safety standards or when it becomes aware of serious safety problems through its own observations and through other sources such as foreign civil aviation authorities. In its formal response to our report, FAA advised us that it was instituting a "special emphasis" inspection program in mid-1993. Under this program, FAA develops a quarterly list of foreign carriers known to have or suspected of having safety shortcomings and targets them for more frequent inspections. However, FAA has not directly addressed our recommendation that it perform more comprehensive inspections of troubled carriers. Its special emphasis guidelines still call for limited inspections. Therefore, problems such as faulty engine controls and inadequate supplies of oxygen and fuel may go undetected.

MANAGEMENT OF ENFORCEMENT CASES BY FAA AND THE STATE DEPARTMENT

³The nine countries that did not meet international safety standards were Belize, the Dominican Republic, Gambia, Ghana, Honduras, Nicaragua, Paraguay, Uruguay, and Zaire. The four countries that received conditional acceptance ratings were Bolivia, El Salvador, Guatemala, and Netherlands-Antilles.

When FAA inspectors find safety violations by foreign carriers, the agency generally refers the resultant enforcement cases to the appropriate foreign governments through the State Department. Enforcement actions include warning letters, civil penalties, suspensions, and license revocations. Such actions respond to serious violations of aviation procedures or rules, such as excessive aircraft weight, insufficient fuel, and unqualified pilots. One such serious violation occurred in November 1992, when a foreign-operated aircraft took off overweight from Miami, Florida, and could not climb to the proper altitude. The aircraft then experienced engine failure, narrowly missed high-rise buildings in a heavily populated area, and crash-landed in the Atlantic Ocean. In investigating the accident, FAA found that the carrier did not meet international safety standards. The carrier was subsequently fined.

In March 1994, we reported that FAA and the State Department had not adequately managed enforcement cases. Specifically, of 146 cases we reviewed that FAA referred to foreign governments, 48 cases had not been acted on, primarily because the referral occurred after or close to statutory time limits for enforcement. For example, one country's law prohibited the government from initiating enforcement actions when more than 1 year had elapsed since the date of the violation. Nonetheless, FAA had referred cases to this country after the statutory time limit was reached or too close to it to allow the government to investigate--some as long as 2 years after the violation occurred. In addition, neither FAA nor the State Department had established controls for tracking referred cases. As a result, neither agency was able to tell us whether the foreign governments had received the cases and, more importantly, whether corrective action had been taken.

We made recommendations to FAA and the State Department to address these concerns. In June 1994, the State Department formally responded to our recommendation that it work with FAA to track enforcement cases. The State Department said that it has revised its procedures to require its embassies to follow up on referred cases if the foreign governments do not respond to the embassies within 90 days. We believe this requirement is a positive step that addresses one of our recommendations.

We also recommended that FAA should determine the final disposition of enforcement cases referred to foreign governments so that it can confirm that serious safety violations have been corrected. FAA has not yet formally responded to this recommendation.

FAA'S INSPECTIONS OF FOREIGN-OPERATED, U.S.-REGISTERED AIRCRAFT OPERATED OUTSIDE THE UNITED STATES

In addition to its concerns about the oversight of foreign aircraft that fly into the United States, the Subcommittee also had

concerns about FAA's oversight of U.S.-registered aircraft operated outside the United States by foreign carriers.⁴ In June 1993, we reported that FAA performed infrequent inspections of such aircraft. FAA had difficulty inspecting U.S.-registered aircraft operated by foreign carriers because such aircraft often change hands among U.S. and foreign carriers through leasing arrangements. Furthermore, FAA did not track the aircrafts' overseas operations, nor did the agency keep records showing whether the carriers had FAA-approved maintenance programs. As a result, FAA could not provide assurance that U.S. passengers would be flying in safe aircraft if and when such aircraft return to service in this country.

As previously discussed, under international agreement, the country of registry has primary responsibility for ensuring an aircraft's airworthiness. Accordingly, FAA requires that each foreign carrier operating U.S.-registered aircraft have a program to maintain its fleet in accordance with U.S. safety standards. Although FAA had developed guidance calling for its inspectors to examine all U.S.-registered aircraft regardless of where they operate, the guidance was not precise, requiring only that inspectors "emphasize" the examination of foreign-operated, U.S.-registered aircraft. Our review of inspection records for 517 U.S.-registered aircraft operated outside the United States showed that during a 2-1/2 year period, FAA had not inspected 168 (32 percent) of the 517 aircraft. For 69 of the 168 aircraft that FAA did not inspect, it could not provide records showing whether the carriers had FAA-approved maintenance programs. Furthermore, we found that FAA did not require a safety inspection when a U.S.-registered aircraft transfers from foreign to U.S. operation.

To improve oversight of foreign-operated, U.S.-registered aircraft, we recommended in our June 1993 report that FAA (1) require owners of U.S.-registered aircraft to notify FAA when the aircraft are transferred from a foreign to a U.S. lessee; (2) identify the parties involved; and (3) inspect the aircraft when they return to operation in the United States, particularly if they are from countries that do not meet international safety standards. FAA has not yet formally responded to our recommendation.

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International air travel is on the rise. As a result, the safety of foreign carriers will continue to be an important issue. DOT, FAA, and the State Department have initiated a number of

⁴U.S. registration provides certain benefits to aircraft owners, including (1) higher aircraft resale value; (2) avoidance of airworthiness checks by foreign authorities; and (3) avoidance of foreign taxes, foreign certification fees, and foreign inspection fees.

actions over the last 3 years that, taken as a whole, improve the safety oversight of foreign carriers. We believe that it is important for FAA to continue its efforts to monitor the compliance of foreign countries and carriers with international safety standards. We realize that DOT, FAA, and the State Department face diplomatically sensitive situations in working with sovereign countries to ensure safety, even though international agreement allows FAA to ensure that foreign carriers flying into the United States are safe. Nonetheless, we believe that if FAA implemented a number of our recommendations, it could further improve its efforts to oversee the safety of foreign carriers.

Mr. Chairman, this concludes our prepared statement. We will be glad to respond to any questions that the Subcommittee may have.

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