



**INDUSTRY SYMPOSIUM ON
TRANSPORT CANADA LEVEL OF SERVICE**

ACTION PLAN

MAY 2011

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Executive Summary

On May 11, 2011, the Air Transport Association of Canada (ATAC) held an industry symposium where national and regional aviation associations and the aerospace industries association gathered to participate in a day of discussions focused on Transport Canada level of service issues.

Transport Canada is experiencing many changes as a result of its internal reorganization and with the introduction of Safety Management Systems (SMS) this has had a serious impact on the level of service and the way services are rendered to industry. Association members experiencing Program Validation Inspections (PVI) have related many troubling experiences which have caused many of us to be very concerned about Transport Canada's level of service and its ability to meet demands necessary to support the business of aviation. While no one questions Transport Canada's dedication to serving the Canadian air transport community, there is a growing concern that the department's operations face challenges with limited experienced human resources, significant structural changes and responsibilities and deep budget cuts which are hindering the department's ability to deliver the level of service the aviation and aerospace industry requires.

Joining ATAC for this first such assembly of the aeronautics community were the Aerospace Industries Association of Canada (AIAC), the Airline Pilots Association (ALPA), the Canadian Business Aviation Association (CBAA), the Canadian Owners and Pilots Association (COPA), the Canadian Airports Council (CAC), the Helicopter Association of Canada (HAC), the Manitoba Aviation Council (MAC), the Northern Air Transport Association (NATA), the Saskatchewan Aviation Council (SAC), and the Floatplane Operators Association (FOA).

The assembled industry association representatives studied recommendations tabled by the participating associations. These discussions lead to a final set of 21 recommendations which were grouped under three major axes of an Action Plan. Industry unanimously recommended that the department adopt the following axes as the foundation to better meet the demand for services in the context of SMS and the optimization of Transport Canada resources.

Improved Communication with Stakeholders

Industry has reported a lack of effective communication and consultation with Transport Canada which has led to the lack of responsive feedback between the regulator and certificate holders in addressing problems in a timely fashion. Aviation stakeholders need to be consulted in order to establish regulatory priorities enabling the greatest improvements to safety.

Industry proposes the creation of a Civil Aviation Advisory Board to provide a forum for effective feedback between certificate holders and the regulator, through the respective associations working with Regional and National Transport Canada representatives. In addition an annual forum hosted by Transport Canada could identify regulatory priorities which can be acted on. The creation of a Transport Canada working group focused on receiving and integrating industry's priorities would establish a venue for good two way communication between industry and the regulator.

More Delegation to Industry

SMS principals are based on the belief that responsible industry stakeholders are positioned to identify and manage their own risks. The reduction of inspectorate staff required to monitor safety and oversight activities is apparent in the inadequate service experienced by operators. The reduction of examination centres with limited hours of operation is another indicator of reduced service levels. Delegation of the required authorities to an individual or company is an appropriate response. Delegation of authorities already exists in a similar fashion to authorized persons in industry under ACP at Air Canada or a DAR at Bombardier or through a CBAA licensing "Authorized Person". Also precedent setting is the delegation of authority to FTU's who deliver private pilot exams and has been promised by the regulator to be extended to FTU's to allow the delivery of professional exams.

Further budget cuts historically have eroded Transport Canada's ability to deliver timely service. Industry has embraced SMS concepts and is positioned to participate in working groups to help identify time sensitive aircraft certification needs. By delegating authorities to SME's industry can aid in progressing minor certification programs with minimum risk.

Improved Service

The consensus from the Industry Symposium was clear, that for some keys services under Transport Canada's responsibility level of service time lines are increasing as Transport Canada's workforce capabilities decrease at a significant economic cost to industry. Several areas of discussion were highlighted. Recommendations included the need for better communication and feedback in the CAP element of Program Validation inspections, development of an electronic tracking system for all applications allowing users the opportunity to have information on processing times and identify where the hurdles are. In the area of security, recommendations ranged from, allowing pilots with RAIC passes to pass through non-passenger screening check points, to the necessity of streamlining and shortening processing of airport passes using AFIS fingerprint readers and increased CSIS clearance staffing. There are also concerns from industry that there is reduced emphasis on ensuring Civil Aviation Inspectors performing check rides have professional credentials and pilot experience.

In addition inspectors who are involved in Security Management Systems (SeMS) require more adequate SeMS training to perform site regulatory inspections. Inspectors in the Dangerous Goods sector of Aviation need to be on par with their counterparts in surface modes of transportation which is currently not the case, resulting in an outflow of capable individuals. It is also important that the Dangerous Goods Program be re-established in the Civil Aviation

directorate. Furthermore, delays in the CARAC process has hampered access to Light Sport Aircraft for Canadian FTUs and should be rectified by the issuance of a temporary exemption allowing LSA for flight training, as is the case with the US. Delays in the Bilateral Aviation Safety Agreement between Canada and the European commission have been costly to aerospace companies. Industry is prepared to help communicate with TCCA to identify where inequities and cost disadvantages hurt our competitiveness globally.

The recommendations under each of the axes outline specific areas where improvements can be achieved, resulting in efficiency gains with better service to industry.

Action Plan Recommendations

The 2011 Industry Symposium on Transport Canada Level of Service issues led to the development of an Action Plan. This Plan rests on three axes of intervention which can be implemented concurrently. These are: 1) Improved Communication with Stakeholders; 2) More Delegation to Industry; and 3) Improved Service for some key services under Transport Canada's responsibility. The three suggested axes of intervention are sustained by 21 recommendations tabled by the participating associations. The 21 recommendations are presented in an abbreviated form under the various axes and point out specific areas where improvement could be achieved.

Action Plan Item One – Improved Communication with Stakeholders

ATAC and its members have reported a lack of effective communication and consultation with Transport Canada.

A consequence of this problem is the lack of responsive feedback between the regulator and the certificate holders to fix persistent problems in a timely manner. Existing consultation methods, such as the Civil Aviation Regulation Advisory Council (CARAC) and the Canadian Aviation Executives' Safety Network (CAESN), are designed to address longer term strategic solutions and are not able to address recurring systemic problems encountered between the regulator and certificate holders efficiently.

In order for Transport Canada to establish its regulatory priorities so that they will effect the greatest improvements to safety, aviation stakeholders should be consulted. As industry accepts more responsibility for its own safety and for identifying and mitigating its own risks, and as the regulator distances itself from the day-to-day operations in favor of a systems approach, certificate holders will be well positioned to guide the efficient application of regulatory resources.

Three recommendations were tabled at the Industry Symposium suggesting that consultative bodies be recognized by Transport Canada. These are low cost measures that would go a long way in ironing out the many issues raised in the past couple of years as a result of TC's reorganization and the new type of inspections being carried out.

Improved Communication - Recommendation 1

Recommendation: Creation of a Civil Aviation Advisory Board

To ensure that important issues between Canadian operators and their Civil Aviation Authority can be communicated and addressed in a timely manner, ATAC is proposing the establishment of a Civil Aviation Advisory Board. The goal is to provide a forum for effective two way feedback between certificate holders and the authorities. Reported problems would be analyzed by the board and effective solutions proposed and communicated quickly.

The proposed Civil Aviation Advisory Board would be comprised of civil aviation certificate holder representation through their respective national associations and regional and national Transport Canada representatives. The board would report to the Director General of Civil Aviation.

Improved Communication - Recommendation 2

Recommendation: Transport Canada establish a working group to review priorities

We recommend that Transport Canada establish a working group made up of Industry Leaders and representatives from all levels of the department to review the priorities and establish what can be reasonably done with the current resources. We are not proposing to scrap any changes; only that circumstances must be reviewed to see what can and cannot be done in the near future.

Through this cooperative effort, priorities can be set to allow for transition to all of the areas mentioned above.

Improved Communication - Recommendation 3

Recommendation: Creation of an annual forum with industry stakeholders

Transport Canada should establish an annual forum with industry stakeholders prior to the establishment of Transport Canada's regulatory priorities, with a view to receiving and integrating industry's priorities on this subject. Transport Canada should establish a mechanism to report back to industry on this subject.

Action Plan Item Two – More Delegation to Industry

Until recently Transport Canada has been urging aviation associations to accept more responsibility for managing risks for their industry-segment. The industry believes that the repatriation of the CBAA POC program signalled a retreat by Transport Canada from SMS principles and from the principle that responsible industry stakeholders are best-positioned to identify and manage their own risks. In an environment where Transport Canada will not extend further responsibility to industry, the aviation community will not realize the full safety and efficiency benefits of SMS, and service levels from Transport Canada to industry will be eroded because Transport Canada inspectorate staff will be required to carry out monitoring and safety oversight activities that industry can capably manage.

More Delegation - Recommendation 1

Issue: Inadequate timely service to private operators

Recommendation: Creation of a new delegation to an individual

We propose the creation of a new delegation as a near and long term solution to the level of service issue for private operators. The delegation would go to an individual and not to any association and would be akin to an authorized person who holds the delegation in his or her own right. CBAA is considering supporting a delegate to provide service under a CBAA umbrella exactly as is the current case with the CBAA licensing Authorized Person or for that matter an ACP at Air Canada or a DAR at Bombardier.

TC is in receipt of a proposal, which includes a draft delegation manual modeled after the ACP manual, for Transport Canada issuing authorities to create a Private Operator Delegate (POD) and authorize this person to act as a special Authorized Person for licensing purposes, including initial type ratings, IFR renewals and IFR extensions, and approve and issue operations specifications for and add new aircraft types to a POC, and recommend for approval the issue of a POC or any part thereof and amendments thereto. During the period of the interim order, the POD also can approve changes in management personnel and add aircraft registrations to the CBAA POC.

More Delegation - Recommendation 2

Issue: Access to Transport Canada exam centers and limited availability of times at TC centers to write professional exams.

Recommendation: Delegation of authority to host professional pilot exams

We recommend that Transport Canada approves the delegation of authority to Flight Training Units to deliver professional exams to who are holding valid operating certificates and who have a stellar track record of delivering the private exams for a minimum of 2 years.

More Delegation - Recommendation 3

Issue: Better Allocation of Limited Inspectorate Resources

Recommendation: Identify mechanisms and opportunities for more delegation

Whereas Transport Canada's ability to directly deliver timely service to the aviation community will be eroded by budget limitations and whereas SMS principles dictate that the industry should be accepting more responsibility for its own safety, the Department should form a Working Group with industry for the purpose of identifying mechanisms and opportunities for the department to provide industry with more responsibility and authority.

More Delegation - Recommendation 4

Issue: Aircraft Certification Program Resource Allocation Clearly Insufficient

Recommendation: Industry recommends that additional appropriate resources be obtained by TCCA to support these time-sensitive and economy building programs.

In addition, industry recognizes that TCCA has limited resources to meet the industry's certification demands. Therefore, industry recommends that further empowerment and delegation be given to the aerospace industry in order to best utilize the vast experience available. This proposal will alleviate the need for TCCA to be involved in certification programs of a minor nature or at levels of minimal risk.

Action Plan Item Three – Improved Service

It was made abundantly clear by participating associations during the Industry Symposium discussions that Transport Canada has established Level of Service time lines to alleviate workforce deficiencies at the expense of the impact on the corporate community. Operators feel time frames are exceedingly long relative to the routine nature of many day to day requests.

The Industry Symposium participating associations have identified key areas where service needs to be improved if we are to maximize safety and efficiency of air operators. The following recommendations specifically point out key areas which need the most urgent attention.

Improved Service - Recommendation 1

Issue: Program Validation Inspections

Recommendation: Greater Corrective Action Plan (CAP) feedback from Transport Canada.

Transport Canada should organize CAP workshops with industry participants and inspectors so that industry has a clear understanding and a dialogue with inspectors on how to create effective and acceptable CAP's as part of the current PVI's.

Improved Service - Recommendation 2

Issue: Electronic Tracking System

Recommendations:

1. Put in place an electronic tracking system for all applications for service that allows tracking by users as they move through the various stages to completion.
2. Have the Associate Directors routinely review the progress of all applications to ensure that they are, in fact, moving through the system at a reasonable pace.
3. Compile an annual report that can be presented to industry on how TC is actually performing against their own service standard, with a target for a first report being March 2012.
4. Review the report annually with industry and determine where adjustments need to be made to either the standards or how they are being met to properly service Canadian Aviation.

Improved Service - Recommendation 3

Issue: Non-Passenger Screening of Pilots holding a RAIC

Recommendation: Allow access to NPS in all Class I airports

We recommend that, in line with the recent TSA announcement, Transport Canada working with CATSA will enact clear and simple security regulations for airports that would allow all pilots in possession of a RAIC to consistently go through non-passenger screening checkpoints in the same manner at all Class I airports.

Improved Service - Recommendation 4

Issue: Extensive delays of the CARAC Process

Recommendation: Increased funding and appropriate staffing

The solution to this problem requires the government to increase funding and ensure that it is competitive in hiring staff appropriately qualified who can provide assistance and make decisions appropriate to the subject areas involved in the CARAC process.

Improved Service - Recommendation 5

Issue: Long Processing of Ratings, Licenses and Aircraft Certification

Recommendations:

1. Transport Canada needs to improve processing times which meet and exceed processing times experienced before centralization of services.
2. Industry needs a follow up mechanism available to keep track of processing times, either through the internet and/or through a live person who can explain what the deficiencies are.

Improved Service - Recommendation 6

Issue: Time Required for Manual Approval

Recommendation:

There should be an option for approved material to be contained in one approved manual for each certificate holder, regardless of the number of certificates held. Such a manual could be structured so as to have a single joint section containing material common to all certificates, and separate, individually approved, sections for each separate certificate.

Improved Service - Recommendation 7

Issue: Time Required to Approve Aircraft Maintenance Schedules

Title: Allow the issuance of a simple administrative short term approval

The regulations governing aircraft maintenance schedules should be amended to permit the issuance of a simple administrative short term approval, valid for, say, a maximum of six months, to allow the aircraft to be operated while the long term aspects of the permanent schedule are evaluated. The short term approval could be based on the aircraft being maintained in accordance with the new operators existing schedule, the previous operator's schedule, or the type certificate holder's recommendations, as applicable to the circumstances.

Improved Service - Recommendation 8

Issue: TC policy requires all deferred defects to be authorized in the MMEL

Recommendations:

A proposed NPRM was under discussion within TC Standards branch several years ago, to address defects other than “inoperable” equipment, and would have established the principle that items not specifically addressed by the MEL could be evaluated against the same criteria that would apply where no MEL had been approved (i.e., safety and compliance with the basis of the type design). This NPRM seems to be stalled in the system

1. There should be a process to grandfather "old" previously approved MELs.
2. The NPRM addressing operation with defects should be re-introduced.

Improved Service - Recommendation 9

Issue: The time required to issue Airport Passes usually runs from 3 to 6 weeks. This presents a major and costly problem to airlines/airports and other airport infrastructure providers when dealing with newly hired staff.

Recommendations: Two proposed measures to reduce wait time

1. Install AFIS (Automated Fingerprint Identification System) readers at all Class II Airports.
2. Increase clearance staffing at the Canadian Intelligence and Security Service (CSIS).

Improved Service - Recommendation 10

Issue: A sizable number of first generation (1945-53) baby-boomer Civil Aviation Inspectors (CAI) have recently retired. Many others are about to do so. Transport Canada intends to replace many of these former positions with non-qualified, non-pilot employees. Industry's confidence in receiving fair and professional check rides and other services from TC Inspectors will erode.

Recommendations:

1. We recommend a full review of current TC plans to replace a number of ATPL-rated Inspectors with non-pilot trades.
2. We recommend that, to retain professionalism and expertise, pilot inspectors maintain current ATPL type ratings on twin-engine turboprop or turbojet aircraft

Improved Service - Recommendation 11

Issue: Security Management Training (SeMS) for TC Inspectors and the concern about the standardization of TC's inspecting criteria and guidelines as it relates to performance-based regulations.

Recommendation: More adequate SeMS training

We recommend that TC use due diligence to ensure its inspectors receive adequate SeMS training before they undertake SeMS site regulatory inspections, in order to reduce misunderstandings and/or differences of opinion between the industry and the Inspectors.

Improved Service - Recommendation 12

Issue: The current state of the dangerous goods inspection program is at an all-time low. Inspectors show little interest in remedying non-conformance and provide no constructive or value-added commentary either during or post inspection. Their interaction with the shipping community no longer occurs and this lack of enthusiasm and dedication jeopardizes the safety and integrity of the dangerous goods program. Strong suggestion that realignment, job status designation and apparent trivializing of the program is to blame.

Recommendations: Two recommendations for increased efficiency.

1. Affirm the inspector rank equivalent with those in Surface mode. From our members who deal with both modes, we can attest that the expertise within the Air Inspector group is on an even footing with their counterparts. This would immediately bolster the morale within the department and solidify its workforce. Inspectors would remain in their chosen discipline without the need to move modes for higher compensation. A more stable and consistent inspector group would add to the program's integrity with both industry and the regulators would benefit from better qualified, long-serving inspectors.
2. Re-establish the Dangerous Goods program within Civil Aviation as a dominant work group. A centralized voice is required to provide interpretations, accumulate data and distribute information internally.

Improved Service - Recommendation 13

Issue: Recreational Aviation and Light Sport Aircraft

Recommendation: A Temporary Exemption

Until such time CARAC can complete its process and the CAR is amended, Transport Canada should issue a general exemption permitting the use of Light Sport Aircraft in Canada on a par with the US FAA LSA standards.

Improved Service - Recommendation 14

Issue: Delays in the Bilateral Aviation Safety Agreement between Canada and the European Commission

Recommendation: Industry TCCA cooperation and dialogue

The aerospace industry seeks to assist TCCA in any ways feasible to achieve the earliest possible adoption of the BASA. To this end, the industry requires an open dialogue with TCCA on the status and collaborative opportunities to move the issue forward, including if required, the assistance of other Canadian government departments and other stakeholders.

In the meantime, the industry wishes to work closely with TCCA on methods and communications to best mitigate the inequities and cost disadvantages injurious to Canadian industry's competitiveness in the global market place especially those related to Fees & Charges and Levels of Service.

Conclusion

The aviation and aerospace industries have endured yet another difficult period. The 2011 Industry Symposium has united our colleagues in working with the regulator to find a reasonable and fair way to move forward these recommendations. Now it is the Government's and Transport Canada's opportunity to commit to addressing these recommendations.

The aviation industry is working together to provide a safer and more efficient aviation environment. The additional benefits to Transport Canada will be significant increases in efficiency, morale and customer relations.

The attached Appendix lists the participating companies who joined ATAC for this first such assembly of the aeronautics community.

Appendix

Participating Associations

Aerospace Industries Association of Canada (AIAC)

Airline Pilots Association (ALPA)

Canadian Business Aviation Association (CBAA)

Canadian Owners and Pilots Association (COPA)

Canadian Airports Council (CAC)

Helicopter Association of Canada (HAC)

Manitoba Aviation Council (MAC)

Northern Air Transport Association (NATA)

Saskatchewan Aviation Council (SAC)

Floatplane Operators Association (FOA)