



ASSEMBLY — 40TH SESSION

TECHNICAL COMMISSION

Agenda Item 30: Other issues to be considered by the Technical Commission

**CONSIDERING SAFETY MANAGEMENT SYSTEM (SMS) UNDER AERONAUTICAL
MAINTENANCE AGREEMENTS**

(Presented by Brazil)

EXECUTIVE SUMMARY

This information paper reports the current scenario when Contracting States may be in different stages for the implementation of the Annex 19 Standards and Recommended Practices (SARPs), in particular, the establishment of mandatory rules requiring the **safety management system (SMS)** implementation by approved maintenance organizations (AMOs). In addition, the Contracting States have been using extensively maintenance bilateral agreements aiming to reduce redundant activities in certification and oversight. Considering the current transition period for the implementation of the Annex 19 SARPs experienced by the Contracting States, the intrinsic connection between the State Safety Programme (SSP) and the SMS, and recent developments experienced by Brazil in bilateral agreements, this paper discuss the necessity of cooperation among the States to establish regulatory and legal basis aiming to avoid the imposition of the local SMS rules to foreign AMOs in maintenance bilateral agreements, therefore envisioning alternate route that take into consideration this transient stage for the acceptance of foreign AMOs.

<i>Strategic Objectives:</i>	This information paper relates to the Safety Strategic Objective.
<i>Financial implications:</i>	No additional funding required.
<i>References:</i>	Annex 19 - <i>Safety Management</i> (2 nd Edition) Doc 10004, ICAO <i>Global Aviation Safety Plan</i> (2017-2019)

1. INTRODUCTION

1.1 The Annex 19 establishes Standards and Recommended Practices (SARPs) intended to assist Contracting States in managing aviation safety risks. This Annex presents a proactive safety strategy based on the implementation of a State Safety Programme (SSP), which includes the requirements for the aviation service provider's safety management system (SMS).

1.2 The maintenance organizations are inserted in a globalized aviation environment and may provide services to operators and customers from several different countries, as soon as they obtain the necessary regulatory approvals. Nowadays the maintenance bilateral agreements provide the common ground between States to make feasible the mutual approval of approved maintenance organizations (AMOs). In the future, it is expected that ICAO will expand this concept fostering the global recognition of AMOs.

1.3 Usually, the bilateral agreements are developed based on a thorough evaluation of national requirements, and the differences are dealt with by using special conditions. However, Annex 19 safety management requirements have an implementation timeline and a specific scope. Therefore, the differences raised on SMS requirements might be of a transient nature, since the States may be in different stages on the implementation of Annex 19 SARPs.

1.4 Additionally, considering that both States have an SMS implemented, the approach towards the acceptance of each other's system to the maximum extent needs to be debated.

1.5 This paper discusses these aspects, namely the transient nature of safety management requirements and the approach for acceptance of each other's system, in order to minimize barriers when establishing the basis for the international recognition of AMOs.

2. BACKGROUND

2.1 Annex 19 to the Convention on International Civil Aviation establishes SARPs intended to assist the Contracting States in managing aviation safety risks. This Annex presents a proactive safety management strategy based on the implementation of an SSP.

2.2 The SSP incorporates the safety risk management, which includes establishing the requirements for the service provider's SMS, providing rules for a systematic approach to managing safety, including the necessary organizational structures, accountabilities, policies and procedures. Among the service providers referred by the Annex 19, the document includes the AMOs.

2.3 In such context, the GASP sets out a continuous improvement strategy which includes goals for States to meet through the implementation of effective safety oversight systems, SSPs and the development of advanced safety oversight systems, including predictive risk management. It is expected that the worldwide implementation of SSP, and by consequence of the SMS by the service providers, will result in a safer aviation environment.

2.4 Notwithstanding the ICAO efforts to promote a wide development of the Annex 19 SARPs, the Contracting States may be in different stages of the SSP implementation and particularly in the establishment of mandatory rules requiring the applicable service providers to implement the SMS.

2.5 Several reasons contribute to this situation. For instance, local difficulties in internalizing the concepts established by the SSP which is, by nature, an integrated and complex set of regulations and activities that requires interaction and coordination among the aviation stakeholders as the civil aviation authorities and the various aviation service providers.

2.6 Indeed, to harmonize the implementation of the Annex 19 SARPs with the current regulation is a challenging task. Contracting States should strive to avoid imposing unnecessary burden to the organizations and providing for the safety management system integration with other management systems, like quality management systems.

2.7 The inherent difficulties associated to the SSP implementation can bring new obstacles for the development of bilateral agreements on AMOs.

3. CONSIDERING SMS UNDER AERONAUTICAL MAINTENANCE AGREEMENTS

3.1 The AMOs are inserted in a globalized maintenance environment. Several customers and specially airlines have arrangements for maintenance services outside their State of Registry. Such AMOs may need to comply with a multiplicity of requirements and they must maintain different procedures manuals and quality systems. They also have to be prepared to undergo several surveillance activities. This situation does not necessarily improve the safety levels while it certainly imposes a questionable burden to the AMOs.

3.2 Maintenance bilateral agreements are being used to reduce duplication of certification and surveillance activities. Consequently, they also decrease the economic burden imposed on the involved stakeholders while maintaining acceptable safety levels. In recent years ICAO has also established important efforts towards the global recognition of AMOs as well as the reduction of duplication of certification and surveillance activities.

3.3 Usually, the maintenance bilateral agreements are developed based on a thorough evaluation of national requirements and maintenance systems, and the relevant differences are dealt with by using special conditions. Considering that the Parties of the agreement could be in different stages of implementation of Annex 19 SARPs, one could expect to raise relevant differences related to the SMS requirements. However, in a safety management environment, raising special conditions for the SMS might not be the best approach.

3.4 When performing the above-mentioned evaluations, the CAAs usually assess the regulatory framework and oversight capabilities of its counterpart. Concerning the SMS requirements, it is important to consider that this system is inserted in a wider scope of an integrated program, namely the SSP. Both SMS and SSP have intrinsic synergy and require the necessary information flow.

3.5 Considering that the Contracting States are in a transition to a rational implementation of Annex 19 SARPs, and the organic connection between the SSP and the SMS, Brazil understands that the States shall cooperate to establish regulatory and legal basis aiming to avoid the imposition of the local SMS rules to foreign AMOs in maintenance bilateral agreements.

3.6 Additionally, as the SMS is an undissociated part from the SSP, it is important that the local authority rules to be used to the maximum possible extent as well as its oversight capabilities,

allowing the State of Registry to accept the foreign AMOs' local SMS framework to comply with its own SMS requirements.

3.7 In view of the stated above, it is reasonable to use a specific timeframe for the foreign AMOs to implement the local SMS. Brazil has faced such challenges in recent maintenance bilateral agreements developments that led the Brazilian civil aviation authority to seek regulatory solutions for this transition moment, including a different timeline with respect to domestic organizations. On the other hand, when suggesting such approach, it is also important to emphasize that the level playing field criteria for domestic and foreign-based AMOs need to be ensured, that is, all the AMOs to have the same regulatory basis, regardless the transitional period of implementation of the Annex 19 SARPs.

3.8 In such context, Brazil understands that, once CAAs have the SMS effectively implemented and compliant with ICAO framework, it is possible, in a bilateral agreement, to accept each other's SMS, contributing to minimize the barriers for international recognition of AMOs and economic burden as well.

4. CONCLUSION

4.1 The transition context for the implementation of the Annex 19 SARPs is a fact that needs to be considered in the efforts of developing bilateral agreements for the acceptance of foreign maintenance organizations. Also, as the SSP and SMS are deeply connected, it is advisable to consider the mutual SMS regulation acceptance, taking credit of the other's system for safety oversight. Finally, the level playing field criteria must be ensured for domestic and foreign-based AMOs.

4.2 The ICAO Assembly is invited to review the information presented in this paper and consider it for the future developments related to the international recognition of civil aviation maintenance activities.

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