



ICAO

International Civil Aviation Organization  
Asia and Pacific Office

## Twelfth Meeting of the Regional Aviation Safety Group – Asia and Pacific Regions (RASG-APAC/12)

Bangkok, Thailand, 17-18 November 2022 (Hybrid Platform)

### Agenda Item 4: ICAO / Member State / Industry Presentations

## THE RESTORATION OF MALAYSIA'S AIR SAFETY RATING TO CATEGORY 1

(Presented by Malaysia)

### SUMMARY

*The Federal Aviation Administration (FAA) conduct an assessment programme called the International Aviation Safety Assessment (IASA) to other countries where any of their air carriers flies into the United States or has a codeshare with a U.S air carrier. This programme focus on the country's ability to adhere to the ICAO safety standards and recommended practices. This is determined through the assessment of the ICAO's eight critical elements (CE) of effective aviation safety oversight.*

*Malaysia was subjected to this programme as some Malaysian air carriers have flown into the U.S and some have codeshare with a U.S air carrier. In 2019, the FAA conducted this programme on Malaysia and found some areas in its safety oversight that needed to be strengthened. As a result, Malaysia was downgraded to Category 2 of the IASA Programme.*

*Malaysia has gone through a major transformation in its aviation safety oversight since the downgrading and has revamped the Civil Aviation Authority of Malaysia to comply with the ICAO safety standards. After 18 months of the transformation journey, Malaysia regained the FAA IASA Category 1 in October 2022.*

*This information paper aims to share the Category 1 journey and the transformation efforts that have been implemented to achieve that Malaysia will continue to improve and maintain the current standards to ensure its aviation safety oversight remained effective and relevant.*

## 1. INTRODUCTION

1.1 Beginning in mid-1991, Federal Aviation Administration's Flight Standards Service (AFS) formulated a method to address foreign air transportation safety concerns. The programme's sole purpose is to ensure all foreign air carriers operating to or from the United States are properly certificated and subjected to safety oversight provided by a competent Civil Aviation Authority in accordance with ICAO standards.

1.2 On 24 August 1992, this initiative led to the formation of the International Aviation Safety Assessment (IASA) programme which focuses on a country's ability to adhere to international aviation safety Standards and Recommended Practices (SARPs) contained in the Annexes to the International Convention on Civil Aviation "Chicago Convention" (ICAO Document 7300).

1.3 IASA assessments determine compliance with these international standards by focusing on eight critical elements (CE) of an effective aviation safety oversight authority specified in ICAO Document 9734, Safety Oversight Manual.

1.4 Foreign air carriers from countries with an FAA IASA Category have the following technical permissions regarding economic authority:

- a) Carriers from Category 1 countries are permitted to operate into the U.S. and/or codeshare with U.S. air carriers in accordance with Department of Transportation (DOT) authorizations.
- b) Carriers from Category 2 countries that operate into the U.S. and/or codeshare with U.S. air carriers have such services limited to levels that existed at the time of the assessment.
- c) Carriers from Category 2 countries that seek to initiate commercial service into the U.S. and/or seek to codeshare with any U.S. air carrier are prohibited from initiating such services.

1.5 To achieve an IASA Category 1 rating, a country must demonstrate that it meets the ICAO standards for each of the eight CEs. Category 2 means that the safety oversight provided by a country's CAA was found non-compliant in at least one of the CEs.

## **2. DISCUSSION**

### **2.1 History**

2.1.1 In 2003, Malaysia was awarded a Category 1 rating indicating that the then Department of Civil Aviation (DCA) complied with ICAO standards for aviation safety oversight. In 2018, DCA was transformed into an independent regulatory and statutory body known as the Civil Aviation Authority of Malaysia (CAAM).

2.1.2 In April 2019, the FAA conducted an assessment of Malaysia under the IASA program and found that the CAAM had 58 findings in total indicating a deficiency in one or more areas, such as technical expertise, trained personnel, record keeping and inspection procedures. However, in July 2019 a reassessment was conducted and 25 findings were closed while 33 remained open.

2.1.3 In November 2019, FAA announced that Malaysia was assigned a Category 2 rating under the IASA programme due to non-compliance with the International Civil Aviation Organisation's (ICAO) safety standards after a reassessment of CAAM earlier that year.

2.1.4 The direct implication of Malaysia's Category 2 rating by the FAA would lead to Malaysian airlines being restricted to current levels of any existing service to the United States. They would also be subjected to additional inspections at U.S. airports and are also not allowed reciprocal code-sharing arrangements between U.S. carriers and Malaysian airlines.

## 2.2 Transformation

2.2.1 After 18 months of dedicated transformation with full support from the Ministry of Transport and CAAM Authority Members, the CAAM completed a full revamp to be in compliance with ICAO safety standards. The transformation efforts included:

- a) Improved documentation with the development of new Civil Aviation Directives (CAD) that are aligned with ICAO Annexes. This also includes Guidance Material for the industry and Internal Guidance Material for CAAM inspectors to ensure standardization;
- b) The hiring of qualified technical personnel to fulfill manpower requirements to ensure effective safety oversight in the civil aviation industry;
- c) Ensuring all CAAM Technical Inspectors are trained to effectively conduct safety oversight activities;
- d) Develop policies, procedures and Quality System to ensure all safety issues are resolved in a timely manner;
- e) Launching of the Malaysia State Safety Program (SSP);
- f) Employee's remuneration package reviewed to attract and retain top talent in CAAM's workforce and effectively added 198 staff including qualified technical personnel, officers and administrative staff; and
- g) Leveraging people's skills and knowledge as the CAAM embarks in the conduct of its operations in better detail to provide true value and human touch for effective safety oversight and air traffic services.

2.2.2 From 06<sup>th</sup> to 10<sup>th</sup> December 2021, the FAA conducted a full IASA assessment on the CAAM that covered all 8 Critical Elements comprising 301 Protocol Questions to ensure effective aviation safety oversight. From this assessment, there were 29 findings in total and the 33 findings from 2019 did not reoccur.

2.2.3 From 12<sup>th</sup> to 14<sup>th</sup> July 2022, the FAA conducted a reassessment of the 29 findings.

2.2.4 On 25<sup>th</sup> July 2022, the CAAM completed all responses for the 29 findings and all corrective action plans were accepted.

2.2.5 On 3<sup>rd</sup> October 2022, the FAA announced Category 1 of the IASA safety rating to Malaysia.

## 2.3 CONCLUSION

2.3.1 As part of the outcome of the transformation process, CAAM is embracing digital transformation. One of the many initiatives is the development of the CAAM CQ. The CAAM is currently planning to develop an Audit Management System which will provide a solid platform for the CAAM CQ framework to be integrated with.

2.3.2 Through digital transformation, the CAAM is launching its e-licensing platform for online license renewal of flight crew, engineers and air traffic controllers. This would significantly reduce the queuing duration and simplify administrative processes thus enabling real-time data to be collected for the purpose of enhancing oversight and compliance.

2.3.3 Introduction of a shortened standard terminal arrival and departure procedure for all traffic operating out of Kuala Lumpur International Airport through utilising modern facilities at the new Kuala Lumpur Air Traffic Control Centre. This would significantly shorten the track miles of flight arrivals or departures and would in turn help the industry save millions of ringgits in fuel burn.

2.3.4 Through effective human resource management and significant improvements to the internal processes, the client charter could be improved by the reduction of the approval timeline to the industry by 25%.

2.3.5 Lastly, through frequent engagement with the industry stakeholders, CAAM could effectively regulate, facilitate and promote the nation's aviation/aerospace industry as well as to ensure that the national and international obligations of Malaysia in matters relating to civil aviation can be carried out, and the universal safety and security standards and requirements in civil aviation are implemented, complied with and well-maintained.

### **3. ACTION BY THE MEETING**

- 3.1 The Meeting is invited to:
- a) note the information contained in this paper; and
  - b) discuss any relevant matters as appropriate.

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