



ASSEMBLY — 40TH SESSION

LEGAL COMMISSION

Agenda Item 40 : Other issues to be considered by the Legal Commission

TARGETED AND PRECISE OVERSIGHT  
IN THE CIVIL AVIATION INDUSTRY OF CHINA

(Presented by People's Republic of China)

EXECUTIVE SUMMARY

Civil Aviation Administration of China (CAAC) attaches importance to improving the efficiency of industrial oversight and strengthening modernized industry governance. Based on the adjustment and reform of oversight model in the civil aviation industry, and focusing on industrial reality, CAAC has further proposed the concept of targeted and precise oversight. By taking into full consideration of the reality of oversight, adopting innovative oversight approaches, and focusing on key areas of oversight, CAAC can effectively address the problem between the demands for high-quality oversight and its insufficient capability.

**Action:** Relevant work carried out by CAAC was proven effective, and it is wished that ICAO could provide support to further improve targeted and precise oversight. China is ready to share experience with other civil aviation authorities to promote targeted and precise oversight.

<i>Strategic Objectives:</i>	Safety, Capacity and Efficiency.
<i>Financial implications:</i>	Not applicable.
<i>References:</i>	Not applicable.

<sup>1</sup> English and Chinese versions were provided by China.

## 1. **BACKGROUND OF CAAC'S TARGETED AND PRECISE OVERSIGHT**

1.1 China's civil aviation has developed rapidly in recent years, and passenger traffic has increased from 490 million in 2016 to 610 million in 2018. This rapid growth of the air transport industry has placed new requirement on industrial safety oversight. Therefore, Civil Aviation Administration of China (CAAC) has decided to reform the model of industrial oversight, and to promote higher efficiency by targeted and precise oversight.

1.2 From 2016 to 2018, the reform on the oversight model of civil aviation industry has undergone three stages of pilot, trial, and full promotion, and relevant work has gained remarkable results, covering 5 aspects:

- a) clarifying oversight responsibility and standardizing administrative law enforcement;
- b) conducting systematic cause analysis to improve oversight efficiency;
- c) establishing an inspection mechanism that can flexibly change and integrate inspection plans to reduce the burden of enterprises for inspections;
- d) developing a statutory self-inspection system to help enterprises improve safety; and
- e) promoting off-site oversight approaches, and boosting more impartial and standardized oversight.

1.3 On the basis of reforming the oversight model of civil aviation industry, CAAC has made active exploration and put forward the concept of targeted and precise oversight and has begun implementation.

## 2. **WORKING CONTENT OF CAAC'S TARGETED AND PRECISE OVERSIGHT**

2.1 It is the common goal of CAAC and enterprises to ensure that administrative counterparts in civil aviation industry at home and abroad can operate in accordance with Chinese civil aviation regulations. In order to reach that goal, CAAC has promoted targeted and precise oversight and realized three unification between CAAC and enterprises, be it in concept, approach, and data. Unified concept means that CAAC and enterprises have adopted the common goal of pursuing safe operation and operational compliance in this industry, and both CAAC and enterprises have assumed oversight and subject responsibility. Unified approach refers to CAAC's oversight and enterprises' compliance management, which all follow the unified industrial oversight database. Data unity means that CAAC actively provides enterprises with oversight data that relate to their safe operation, and these data are used by CAAC to formulate and adjust administrative inspection plan. Finally, safe operation of civil aviation industry was achieved under the joint efforts of CAAC and enterprises.

2.2 According to reality, targeted and precise oversight can realize reasonable and accurate allocation and distribution of oversight resources, carry out targeted oversight, and maximize the efficiency of resources. The key parts of oversight have been underscored continuously by measures such as bringing in creative oversight approaches, figuring out different features of safety and economic management of civil aviation, and of general aviation and commercial aviation, and by taking into consideration of enterprises' willingness and ability of self-management when classifying oversight target and items. In light of the more targeted inspection plans, the more efficient problem-solving solutions, and since differentiated policies are taken in response to diverse classifications, limited resources can exert greater oversight effectiveness. The more reasonable formulation of oversight plan, the more

rational allocation of oversight resources, and the more efficient oversight have effectively resolved the contradiction between high-quality oversight demands and insufficient oversight capabilities proposed by the growth of the industry.

2.3 Promoting targeted and precise oversight includes the following specific aspects:

- a) **Formulating targeted inspection plan.** CAAC has formulated inspection plans based on data analysis to make sure that oversight is consistent with the reality of enterprises, inspections, and safety, so as to enhance efficiency. The move to peg inspection planning against enterprise reality aims to reduce inspection on those enterprise with strong law-abiding willingness and ability, active statutory self-inspection and good credit record. Linking inspection planning with reality can assist in strengthening the inspection item in which most of the problems are detected. By means of connecting inspection planning with safety reality, problems exposed in unsafe incidents can be included into the inspection and inspections for recent incidents that happened frequently can be reinforced. By taking into consideration of inspection data in the planning, existing industrial data can be fully teased out and analyzed, and those data which are closely related to oversight can be the basis for inspection planning. Models of relevant data was established to realize visualized data, and cooperation is regarded as an assessment indicator of data;
- b) **Adopting targeted oversight measures.** According to differentiated counterparts, CAAC has adopted various oversight measures to match their levels of honesty, self-discipline, and regulation compliance, so as to carry out targeted and precise oversight. For counterparts who are honest and disciplined, a mechanism that allows for errors can be applied, where legitimate and reasonable tolerance for errors can be granted in the administrative process so that enterprises can be encouraged to conduct in-depth statutory self-inspection, and both enterprises and practitioners can be honest and trustworthy and legally compliant. For those counterparts who are seriously untrustworthy and not disciplined, credit management will be reinforced in administrative process, and inspection frequencies will be increased. Also, heavy punishments such as various disciplinary measures will be imposed, and error tolerant mechanism will not be available for them, so as to urge enterprises and practitioners to be honest, trustworthy, and legally compliant;
- c) **Targeted oversight sampling.** Part of the administrative inspections conducted by CAAC involves a large number of inspection subjects, thus it is impossible to do overall inspection. By means of data modelling, the number of subjects that need to be inspected can be reasonably determined to carry out targeted oversight sampling. Overall inspection is thus replaced by inspections on selected samples, from which overall situation can be figured out to enhance the efficiency of oversight; and
- d) **Supporting enterprises' statutory self-inspection.** Enterprises are obliged to carry out self-inspections, and they will be called to account in case that they do not exert themselves, which makes this statutory self-inspection different from general ones. Carrying out statutory self-inspection is conducive to the implementation of enterprises' subject responsibility and the healthy development of the industry. CAAC supports enterprises to carry out statutory self-examination and provide assistance on the basis of oversight. Internal factors of enterprise will be given full play to promote their own development. The introduction of measures such as error tolerant mechanisms, reinforcing credit management, and training that aims to enhance

enterprises' willingness in law-abiding could encourage enterprises to carry out self-inspection. Establishing an oversight item database and providing relevant information to enterprises as well as providing training that aims to enhance enterprises' ability to be law-abiding can enhance their abilities in carrying out statutory self-inspection.

### 3. **PROGRESS OF CAAC'S TARGETED AND PRECISE OVERSIGHT**

3.1 In February, 2019, CAAC issued the CAAC's Opinions on the Promotion of Targeted and Precise Oversight, which sets out the guidelines, major contents, working principles and objectives of oversight, and clarifies working tasks, providing basis for varies levels of civil aviation administration to carry out targeted and precise oversight. In May 2019, CAAC released the Task Breakdown of CAAC's Targeted and Precise Oversight, which further identifies task contents, responsible departments, and timeline, so that the oversight will follow the schedule and be more practical for implementation. CAAC has held policy promotion and implementation meeting as well as special training surrounding the topic of targeted and precise oversight for enterprises including foreign air carries, and has promoted oversight following relevant rules:

- a) **The concept of targeted and precise oversight became consensus of the industry.** Civil aviation administrative institutions and subsidiaries shall have a unified understanding of targeted and precise oversight, such as its concept, principle, mission, and objectives, following which tasks can be carried out. The requirements of targeted and precise oversight have been effectively implemented after three to five years of hard work, and substantive breakthroughs were made. As a result, efficiency of industry oversight has been significantly enhanced, the allocation of oversight resources has become more reasonable, and oversight capacity has been continuously improved;
- b) **The system of targeted and precise oversight was basically established.** An industry oversight system under which enterprises are self-disciplined and industry is self-governed, and government carries out targeted and precise oversight has been initially formed. Oversight has shown various features when applied in different sectors, such as safety and economic sector, commercial aviation and general aviation, as well as technical management and administrative management. Civil aviation administrative institutions have clear oversight responsibilities and boundaries. The legitimate rights of enterprise have been effectively guaranteed and the statutory responsibilities of the subjects have been fulfilled;
- c) **The working team of targeted and precise oversight was initially built.** Thanks to reasonable management and systematic training, the capacity of CAAC's inspector team has been improved. The qualification standards of inspectors for enterprises' statutory self-inspection are clear, and their scope of powers and responsibilities are also clearly defined. Their ability has been gradually improving, and their role of facilitation has been showing; and
- d) **The supporting system of targeted and precise oversight was improved.** The Civil Aviation Industrial Oversight and Law Enforcement Information System (hereinafter referred to as SES) serves as the main body to integrate data coming from various oversight information systems, and on which basis multi-dimensional statistics and in-depth analysis of data can be realized. Civil aviation industry oversight system with

the objective of “Internet + oversight” was initially built, and together with the “Internet + government service” system constitutes the working platform of civil aviation administrative institutions to management and serve the industry.

#### 4. **CONCLUSION**

4.1 The concept of targeted and precise oversight has proven to be realistic and full of potential. CAAC wishes to receive ICAO’s support for its further work. If ICAO finds it is necessary to promote targeted and precise oversight, China is ready to provide support and share experience with other civil aviation authorities.

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