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"REVIEW OF FAA'S CERTIFICATION PROCESS:
ENSURING AN EFFICIENT, EFFECTIVE AND SAFE PROCESS"

SUBCOMMITTEE ON AVIATION

HOUSE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

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Introduction

Chairman LoBiondo, Ranking Member Larsen, thank you for allowing the Aerospace Industries Association (AIA) to submit testimony in support of this important hearing. I am Ali Bahrami, Vice President for Civil Aviation Programs at AIA, the nation's premier trade association representing aerospace and defense manufacturers. Before coming to AIA earlier this year, I spent 24 years working in the Federal Aviation Administration's Aircraft Certification Service. In my last position before leaving the agency, I served in Seattle as lead executive for the Transport Airplane Directorate, which handles certification for most of the industry's commercial aircraft. In 2012, I also served as the Designated Federal Official (DFO) and co-chair of the agency's Aviation Rulemaking Committee (ARC) in response to section 312 of the FAA Modernization and Reform Act.

Mr. Chairman, before getting into specifics about improvements and reforms, I think it is appropriate to recognize the tremendous work of the FAA certification staff. Our system is the safest in the world, and this did not happen by accident. It is not by accident that domestic and foreign airlines trust the safety and reliability of our aircraft. It is an ongoing partnership between the aircraft manufacturing industry and the nearly 1,300 personnel in the FAA's certification offices around the country. I worked there for more than two decades, in the field, so I can attest personally to the dedication and technical expertise of these staff.

We should also recognize that FAA's staff is already being asked to do more with less. In the past year alone, the certification office lost resources due to the sequester, instituted a hiring freeze, and had staff furloughed for more than two weeks due to the government shutdown. Meanwhile, the aviation industry continues to grow, responding to the demand of a global economy. With the continued budget challenges, expecting FAA to keep pace with industry, while conducting business as usual, is not in the realm of possibilities. Such an unrealistic expectation means only one thing -- we will simply fall behind our global competitors. While ensuring that safety for the flying public remains paramount, the FAA needs streamlining and efficiencies now more than ever.

Implementing Certification Streamlining (Sec. 312)

When still at the FAA, I co-chaired the Aircraft Certification Process Review and Reform ARC, the advisory body responding to section 312. We had an excellent team with wide representation from industry. We reported our findings to the FAA in May 2012, only four months after enactment, and the FAA began implementing those recommendations this past February as required by the statute. The "312 ARC" made six recommendations to the FAA, and AIA believes all of them are important and should be implemented. I would like to highlight a couple of them as being particularly important to our industry.

One of the main industry concerns was the FAA's certification project sequencing. The process lacked transparency and predictability with respect to the initiation of new certification projects. There were cases in which applicants had to wait over a year before the FAA would begin the certification process. During that time, applicants had no idea when the agency would be ready to initiate the certification work. Consequently, industry was not able to make business commitments and schedule aircraft modification work during that time.

Industry recognizes the importance of data-driven decision making and the FAA's ability to prioritize workload in a logical and reasonable fashion. Our goal is to have an efficient and effective certification process. The ARC recommended the process be changed to include a more collaborative approach between the applicants and the FAA's aircraft certification offices, make better use of existing best practices, and rely on existing tools, such as delegation and risk management principles.

Last May, the FAA published a new project sequencing process that satisfies the intent of the ARC recommendation. The new procedure adds transparency and makes maximum use of the existing tools. The initial reaction from AIA's members has been positive. We are anxiously waiting for successful implementation of this procedure nationwide.

Another recommendation was designed to bring about systemic change in the way new approaches, tools, and practices are introduced within the Aircraft Certification Service. Introducing effective and long lasting change within an organization is challenging, and the FAA

is not unique in facing these challenges. This recommendation was aimed at influencing the change management process and stimulating real cultural change in the workforce.   Often strategic goals and objectives look promising on paper, yet later fall short due to ineffective implementation and a lack of ownership by the staff and employees who are conducting the day to day activities.

We urge the FAA to follow through on implementation of this particular recommendation with the utmost diligence. Why did I elect to highlight this particular recommendation? Because looking at the horizon, we see many changes coming our way. Implementation of the Safety Management System, the introduction of Certificated Design Organizations, and the continued expansion of global manufacturing are just a few of the major changes facing our industry and the FAA over the next few years. With a systemic approach to managing the change process, there would be a greater chance of successful implementation and acceptance by FAA inspectors and engineers. Without such a change process, we may be in for a rough ride.

Finally, I applaud the foresight, focus, and outstanding work of this committee. Your focus on implementation of the ARC recommendations will help industry and the FAA reach mutual success. Although your interest in seeing the complete implementation of these recommendations is important, it may not be sufficient to move us forward. I urge the committee to help all of us -- industry, the FAA, and the flying public -- by eliminating non-value added procedures and requirements that force duplication of effort and limit the FAA's ability to become even more efficient. Our collective, limited resources must be used wisely and in a fashion that adds to the safety and security of the U.S. aviation system while responding effectively to growth.

The FAA's 312 implementation plan is clear and specific, listing the offices accountable for specific initiatives and schedules down to the month and year. But any plan is only as good as its implementation. For this reason, it is critical for the FAA to follow through in the development of measures of effectiveness, and for them to establish a regular process for industry to review the progress. The FAA's plan includes the establishment of a joint FAA/industry group to review the status of implementation as it proceeds. We believe this is an essential element of success.

Consistency in Regulatory Interpretation (Sec. 313)

The FAA formed another ARC to address the inconsistencies in regulatory interpretation in response to Section 313 of the FAA Modernization and Reform Act. Compliance and conformance are important to both the FAA and industry. Applicants are responsible for showing compliance with the regulatory requirements. Often, many of the certification plans and means of compliance are defined early in the program. Any surprises midstream or late in the program are costly and unacceptable. Particularly given the overall direction toward a systems approach to product certification, the sooner that standards and means of compliance are defined, the greater the likelihood of a successful certification program.

AIA welcomes the recommendations made by this ARC. We believe that, when fully implemented, they will result in greater communication among FAA inspectors and engineers nationwide, but they will not totally eliminate the inconsistencies. The FAA regulations are generally designed to be performance based as opposed to prescriptive. This approach is needed to provide flexibility for the applicants while maintaining an acceptable level of safety. A prescriptive rule could stifle innovation or dictate a particular design solution. At the same time, excessive emphasis on performance could increase ambiguity and the chances of inconsistent application of the rule. Finding the appropriate balance is challenging, but it is crucial for our industry.

We believe the total elimination of inconsistencies is unrealistic. Instead, it behooves us to establish an agile dispute resolution process to expedite decision making. Having such a process in place, and following through with the ARC recommendations, will allow quick resolution of issues and reduce future occurrences of a similar problem. The industry has yet to see implementation plans for the 313 ARC recommendations. We hope this does not indicate a lower priority for this important work, and we look forward to reviewing detailed implementation plans in the near future.

Importance of Delegated Authorities

 There is no question that implementation of the recommendations from the 312 and 313 ARCs will improve the certification process and reduce certification delays.   However, the most effective tool that could quickly improve the product certification timeline is delegation. Today, in the U.S., there are approximately 70 engineering and design facilities that are delegated organizations. We have over half a century of successful history with delegation.   Enhancing and expanding delegation will improve safety for the traveling public while assisting in the economic growth of the aviation industry. Obtaining an Organization Designation Authorization (ODA) is not easy. It requires a great deal of resources and investment on the part of an applicant. We urge the FAA to allow maximum use of delegation, not only to take full advantage of industry expertise, but to increase the collaboration and partnership that leads to improved aviation safety.

The Act also authorized the FAA, beginning January 1, 2013, to start issuing Certification Design and Production Organization (CDPO) certificates. Certified design organizations provide an ideal way for the FAA to leverage the experience and track record of manufacturers to handle the day-to-day certification activities, thereby allowing the FAA to focus limited resources on safety-critical trends and issues. This approach, now explicitly authorized and encouraged by Congress, is a positive and significant step toward further improving and streamlining today's certification process.

Industry understands that the FAA has regulatory responsibilities, and FAA certification is still the "gold standard" sought by aviation authorities throughout the world. However, with the worldwide market shifting to Asia and the developing world, it would be detrimental to our competitiveness if foreign manufacturers are able to move improved products into the marketplace more quickly. Simply put, the FAA needs to change its approach given today's marketplace. We urge the Congress to ensure the FAA follows through on the certification reforms in Public Law 112-95.

Conclusion

In summary, we applaud the committee for its leadership in pressing the FAA to make efficiencies in the certification process. Now that the FAA has recommendations for these initiatives, two things are especially important. The first is your continued oversight via periodic reviews, making sure they mature and complete their implementation plans and then stay on track over the coming year or two. We applaud you for holding this hearing, because it demonstrates to the agency that this is a priority for the subcommittee. But equally important is ensuring that the FAA has the resources it needs to maintain momentum. Each of the initiatives outlined in the 312 and 313 reports will require resources. In some cases this will divert staff from attention to the applications themselves, at least in the short term.

We are asking the agency to maintain or improve the current processing times while incorporating new procedures into their work. We are asking them to do this with a reduced budget and morale that is understandably sapped by sequestration, shutdowns, and questions about which employees are "essential" and which are not. These re-engineering initiatives are investments in a future certification process that is more responsive to industry without sacrificing safety. But, like any investments, they take resources to implement properly. The FAA's Section 312 Detailed Implementation Plan does not specifically estimate the budget resources needed to carry out the plan. AIA believes these resources should be clearly identified by the agency and protected in the appropriations process. We do not believe this necessarily requires more funding, but a refocusing of existing resources, and greater reliance on proven delegation and collaborative industry partnerships, to do things in a smarter, more efficient manner.

When an agency is forced to choose between its day-to-day operations and its investments for tomorrow, we know what gets deferred -- the investments. We saw that last year, when the sequester cut the FAA's overall budget by 4 percent, but NextGen was cut by 15 percent. AIA believes if the FAA gets no relief from the sequester in the coming year, the re-engineering of our certification process will take a back seat to more pressing needs in the office. They may shelve or defer many of these improvements just to keep their heads above water. So I urge the subcommittee to help FAA determine its minimum resource requirements for next year, at a

level which is adequate to fund continuing operations *and* the process improvements that are essential to our global competitiveness.