

STATEMENT OF DORENDA BAKER, DIRECTOR OF THE AIRCRAFT CERTIFICATION SERVICE, FEDERAL AVIATION ADMINISTRATION, BEFORE THE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE ON FAA REAUTHORIZATION: REFORMING AND STREAMLINING THE FAA'S REGULATORY CERTIFICATION PROCESS, JANUARY 21, 2015.

Chairman Shuster, Congressman DeFazio, Members of the Committee:

I appreciate the opportunity to speak with you today. As Director of the Federal Aviation Administration's (FAA) Aircraft Certification Service (AIR), I am responsible for oversight of the design and production of aircraft, engines, propellers, and articles. AIR monitors the production and continued operational safety of all the products it certifies for the life of those products. In that respect, we are responsible for an ever expanding range of products.

Effectively managing the safe oversight of the largest fleet of aircraft in the world, while continuing to support the innovation of new products and technologies is a challenge, but one that we recognize is vital to the economic growth of our country. The U.S. aviation manufacturing industry provides the livelihood for millions of Americans and is a dynamic and innovative industry that we are proud to oversee.

FAA certification is vital to the production of aircraft and aircraft components both domestically and internationally. Our certification means that the product was thoroughly reviewed, tested, and analyzed, and has been deemed to meet the stringent safety standards we require.

Certification is a dynamic process with both industry and the FAA having important roles and responsibilities critical to success. We are constantly working to improve the process. Both in response to Congressional direction, and on our own initiative, the FAA is working closely with industry to understand and respond to their concerns in order to improve the efficiency of the process without compromising the safety of the product. Central to the success of this effort is

transparency. All parties need to know what we are doing and why, as well as what is working and what is not. I would like to share what we have been doing in response to the reauthorization Congress passed in 2012, and our efforts to drive certification reform at the local, national, and international level.

Certification Reform Vision

In order to support the safest, largest, most complex aviation system in the world, the FAA must continue to strive to make our processes as efficient and effective as possible, while also maintaining high standards of safety. Certification reform includes responding to requirements in Section 312 of The Federal Aviation Administration Modernization and Reform Act of 2012 (the Act), addressing the recommendations from the Aircraft Certification Process Review and Reform Advisory Rulemaking Committee (ARC), and reviewing the FAA's activities to improve several components of the current certification process.

Numerous external forces are affecting our existing certification process: the globalization of aviation, advances in technology, a high velocity of change, and heightened expectations from our stakeholders and the general public. In order to address these issues and expectations, we are applying safety management principles and using risk-based decision making to leverage our partnerships and make better decisions about where we need to focus FAA resources.

Section 312 Implementation

Section 312 of the Act required the FAA to work with industry to develop consensus recommendations on ways to reduce the time and cost of certification without compromising safety. In response to this direction, the FAA formed the ARC, which developed six recommendations that resulted in 14 specific FAA initiatives. To date, FAA has completed 10 of

the 14 initiatives, many of which are directly related to FAA's efforts to expand the use of delegated authority and to implement a risk-based systems approach to the oversight of that delegation system.

For example, as part of the FAA's ongoing efforts to improve its responsiveness to industry as it certifies new products, in September 2014, the FAA replaced project sequencing with a new "project prioritization" process. The new system prioritizes projects based on their safety benefits and complexity, and allows more efficient allocation of FAA's resources. In contrast to sequencing, project prioritization offers applicants a commitment to a response time for the review of compliance data based on the priority of the certification project. Now, applicants will be able to initiate projects without delay. If they have an Organization Designation Authorization (ODA) or are using an FAA-approved individual delegated engineering representative, they can immediately move forward with much of the work required to certify the product.

The FAA is working diligently to address the initiatives recommended by the Section 312 ARC. These initiatives are helping us to identify and address national certification issues; however, we recognize that may not solve the problems experienced by individual companies. To reform certification, the FAA must also implement activities that address issues and expectations at each level. Therefore, the FAA is reexamining how it conducts business and implementing internally driven initiatives at three levels.

Local Efforts

The FAA is working with individual companies to establish short and long-term goals to help them reach their vision of full utilization of ODA by reinvigorating the Partnership for Safety

Plans. These safety plans outline operating norms, define a process for issue resolution, and identify certification priorities; they are our foundation for setting common expectations when working with a company and ensure that both sides are held accountable. Revitalizing the safety plans will be a catalyst to drive positive change, reinforce expectations for the highest levels of regulatory performance, and reestablish the spirit of partnership for our mutual long-term success.

In collaboration with the Aerospace Industries Association and the General Aviation Manufacturers Association, we are also creating an ODA scorecard that will collect qualitative and quantitative data related to safety, FAA involvement, and ODA holder compliance. The scorecard will support constructive dialogue between FAA management and ODA holders about compliance, timeliness, and any performance improvement enhancements that may be needed. Once a baseline and individual goals are established through the reinvigoration of the safety plans, AIR will monitor how ODAs are progressing towards individual company goals. The national rollup of the scorecard will also track progress by monitoring the effectiveness and efficiency of all ODAs, help differentiate between national and local issues, and point to areas where policy improvement may be needed.

National Efforts

As the commercial aviation safety rate indicates, FAA continually strives to improve its performance in all areas, including certification. The Office of Aviation Safety (AVS) requires a quarterly review of Quality Management System (QMS) measures that measure the overall health of AVS. In addition, the QMS measures monitor the efficiency and effectiveness of the certification process. Our goal is to efficiently certify products that meet the safety requirements

that the world recognizes as a gold standard. QMS measures are designed to quantify our efforts to maximize efficiency and minimize risk areas associated with the issuance of domestic Type Certificates, Supplemental Type Certificates, and Production Certificates.

Supplementing the QMS data, my office is also working to track improvements to the time it takes to bring products to market, a fundamental goal of industry. Determining success in this area must also take into account the increasing complexity of the products being certified and industry's accountability to a compliance culture.

In addition, a new policy is in development that will help define the projected level of FAA's involvement in the process and clarify what companies can do to reduce that involvement. This safety management system approach uses risk-based decision making to determine the level of rigor necessary in each certification. Risk-based decision making proactively addresses emerging safety risks by using consistent, data-informed approaches to make informed, system-level decisions. We expect to complete this policy in spring of this year.

ODA holders will play a vital role in any effort to streamline the certification process. There are currently 81 ODAs, with more than 4,700 individual designees. In addition to the efforts noted above, I have personally held nine teleconferences with AIR managers to ensure that all offices receive a consistent and timely message on the importance of certification reform to the future vision of aviation certification. AIR updated its training curriculum to improve training for personnel assigned to oversee ODAs in October 2014. The enhanced training includes an emphasis on auditing the ODAs to ensure they are compliant with their agreed upon procedures. While expanding the number of ODA holders is critical to the industry's view of how to

streamline certification, in order for FAA's staff to expand delegation, the agency must be able to show that industry is compliant with its regulatory responsibilities.

The FAA also understands industry's desire for timely certification. Consequently, we are working collaboratively to develop performance metrics and goals for streamlining certification while simultaneously ensuring compliance with safety regulations. The data gathered from these metrics will begin to capture the larger picture of certification reform, defining the global return on investment for FAA and industry. We have made progress and will continue to work to build consensus with industry on these performance metrics.

International Efforts

The FAA has been the leading model for safety and efficiency around the world. However, the global transportation network is changing and the growth of the U.S. industry is expanding to global suppliers. We recognize the importance of working across geopolitical boundaries and have adapted our international efforts to maintain and enhance our leadership position.

In FY 2014, the FAA launched the Asia Pacific training initiative at the Singapore Aviation Academy to deliver targeted training to the regional civil aviation authorities and industry with the delivery of two courses – Cabin Safety Workshop and Changed Product Rule. This regional training initiative is an efficient way of using the FAA's resources while promoting the FAA's policies and procedures globally. The training initiative helps achieve uniformity and facilitates the seamless transfer of U.S. industry products overseas.

We are also working with our global partners to leverage our bilateral agreements this year. We committed to work with the European Aviation Safety Agency (EASA) towards mutual acceptance of European Technical Standard Order Authorizations and FAA Technical Standard

Order Authorizations, and to accept classifications of basic or non-basic Supplemental Type Certificates without further review during initial validation. This will allow our manufacturers of TSOA articles to sell their product in Europe without further approval by EASA. This mutual acceptance model will result in a time savings for both industry and the FAA, and industry will realize cost savings as a result of eliminating duplicative processes. We also committed to implement a post-validation audit program to ensure that the process is providing the expected result.

The FAA also signed agreements with Transport Canada Civil Aviation and EASA to promote rulemaking cooperation. The activities between the U.S. and Canada under the Regulatory Cooperation Council encourage the sharing of rulemaking experiences to promote cooperation and aligning of rulemaking requirements.

Conclusion

The FAA has made significant progress in implementing the requirements in Section 312 of the Act and the recommendations in the Aircraft Certification Process Review and Reform ARC to expand the use of delegated authority and establish a risk-based, systems approach to safety oversight. The FAA shares the Committees' desire to streamline aircraft certification, and will also continue to implement internally developed improvement activities at a local, national, and international level to supplement the initiatives of Section 312.

To become more effective and efficient while maintaining and improving aviation safety, the FAA must also improve accountability and transparency with stakeholders. When it comes to working together with industry, we need to respect each other's goals. We both have an interest in maintaining the safety of the aviation system. For the FAA, the goal is a product that is

compliant with the regulations. For industry a major concern is finding ways to get new and safer products to market efficiently. Both of these goals are paramount to safety. We need to find ways to be more sensitive and responsive to industry's schedules without sacrificing compliance.

The FAA is tracking the progress of implementing the initiatives, the performance outcomes, and the global return on investment for the FAA and industry resulting from the initiatives as a whole to increase accountability in the certification reform process. The FAA will continue efforts to develop meaningful metrics and a data-driven approach that promotes open, constructive dialogue, facilitates positive change, and keeps both sides accountable for certification reform.

Mr. Chairman, I am happy to answer any questions you have at this time.