

# STRUCTURAL Issues

Last year's crash of a Colgan Air Bombardier Q400 at Buffalo, New York, U.S., is having quite an effect. It is already driving changes in the way the industry looks at fatigue and eventually it will have a big effect on the way we train and qualify pilots. As important as those are, I hope the accident brings at least one more big issue up for public debate: the relationship of safety, liability and code shares.

Nowhere in the world is the scope of this relationship bigger than in the U.S. regional airline industry. The U.S. National Transportation Safety Board and the U.S. Congress are onto this now, and they are not going to let this issue go unaddressed. I hope they are ready to ask the difficult questions and not look for political quick fixes.

Everyone talks about the "one level of safety" goal for all air carriers. But the truth is that regional operators' safety varies significantly. Several of these operators have world-class safety systems; others struggle with the most basic compliance issues. The normal response to this imbalance is to blame the regulator, but I suggest that sort of response is disingenuous and avoids the real issue of how this industry is structured.

Major airlines' transfer of traffic to regional airlines has always been about reducing costs. Regionals operate under contracts that obligate them to fly a given set of flights for the main-line carrier. It doesn't matter to the regionals if the flights fly full or empty; they have no control over revenue. All they can control are costs, and if they don't do that there is a 100 percent chance they will go out of business.

A regional that cuts corners on safety has about a one in 2 million chance of having an accident.

Such an accident may or may not take the airline out of business. There is a powerful economic incentive to meet minimum FAA requirements at the lowest possible cost. In this economic environment, safety cannot be a priority unless leaders push for it. I worry about a system where safety is carried on heroes' backs.

The main-line carriers have the power to incentivize safety, but that doesn't always happen. Some carriers work diligently to raise the safety level of their code share partners. I can only explain this as more heroism because they don't have a business reason to do this. The smart business move for a major carrier — and the way some choose to do it — is to take a hands-off policy regarding the safety of their code share partner and declare that if the FAA hasn't shut them down, they must be safe. I'd say that position appears irresponsible to the flying public, but it might be the right answer for the stockholders, limiting operational costs every day and stockholder liability in the event of a crash.

If Congress wants to have an effect, it should focus on these fundamental issues. Small changes in the incentive schemes will have more effect than another 100 rules or 10,000 inspectors. If you really want one level of safety, then look for ways to make safety an economic priority and not just a moral imperative.



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