

Code-Sharing Collectivism

Mainline partners and the FAA expect lasting benefits from the proliferation of risk-management programs at U.S. regional airlines.



BY WAYNE ROSENKRANS

Launching the agency's first code-sharing safety symposium, moderator Deborah Hersman, chairman of the U.S. National Safety Board (NTSB), reminded panelists, "The overall focus is not to revisit previous accidents and incidents." Given controversies surrounding the nation's run of regional airline accidents since 2000, some could not resist.

They ultimately left unsettled, however, the question of when commercial agreements among airlines should be identified as a latent cause.

Titled "Airline Code-Sharing Arrangements and Their Role in Aviation Safety," the event on Oct. 26–27, 2010, in Washington was designed "to elicit information on the structures, practices and oversight of domestic and international code-sharing arrangements; gain insight into [the exchange of] best practices information between airlines and their [code-share] partners; and explore the role that a major airline would have in the family disaster assistance response for an accident involving a [code-share] partner," Hersman said. The context

was five accidents in which regional airlines operated under code-sharing agreements, she said.¹

Code-sharing in the United States is a marketing arrangement in which one air carrier's two-letter designator code—assigned by the International Air Transport Association (IATA)—in ticketing systems is used to identify a flight operated by another carrier, following Department of Transportation regulations.² The rules specify advance disclosures to passengers about which airline has operational control of a given flight, and block anti-competitive contracts.

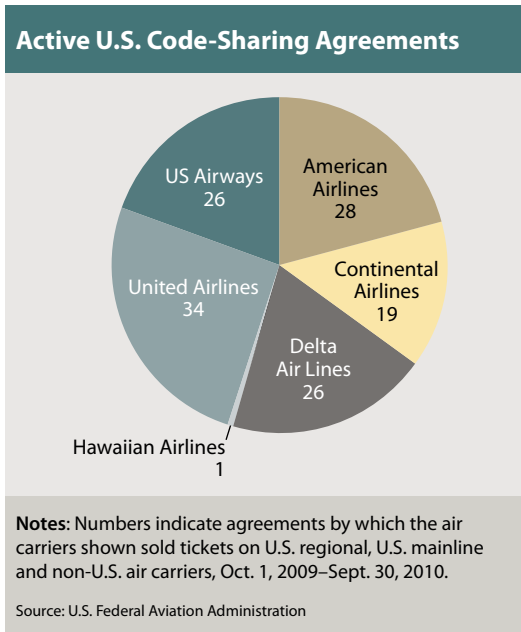


Figure 1

The Federal Aviation Administration (FAA) has responsibility for the safety of operations involving code-sharing, but requires that only non-U.S. air carriers be audited by the U.S. marketing carrier selling tickets for the code-sharing flights, officials said.

To do this, the FAA uses system safety principles, safety attributes, risk management and structured-system engineering practices — a risk-based process that

“looks at the characteristics of the air carriers, their safety performance and the environment that they operate in, and then tailors the oversight system to those air carriers,” said John Duncan, manager, FAA Flight Standards Service.

“Regional carriers are their own operating entity,” said Ken Hylander, senior vice president, corporate safety, security and compliance, at Delta Air Lines. “Regulations do not require extraordinary mainline-carrier oversight of [other] U.S. certificated air carriers. This is based upon the premise that the FAA provides necessary oversight [of compliance with] the Federal Aviation Regulations [FARs]. ... However, [the marketing airlines also] spend a lot of time in collaboration with partners defining exactly what a robust safety program looks like, and then ensuring that it exists.”

As of October, the FAA was monitoring 134 active domestic and international code-sharing agreements involving six U.S. air carriers, added John Barbagallo, manager, international programs and policy, at the FAA (Figure 1). “The agreements involve carriers from 53 countries,” he said.

Conflicting Viewpoints

In symposium sessions about domestic operations, opposing views of the latent-cause question emerged concerning the crash of a

Bombardier Q400 in February 2009 (see “Flight Path Management,” p. 40). One representative of families of air crash victims — John Kausner, whose daughter, Elly, was one of 50 people killed in that accident — told the NTSB that he considers FAA standards to be insufficient for the licensing, training and flight experience of FARs Part 121 air carrier pilots. “Why wouldn’t a major carrier require its code-share partners to train and hire pilots with the same level of competence that they require of their own pilots?” he asked. “I think code-sharing is a good concept that may have some terrible consequences.”

Two of the airline safety specialists conceded that they “had not laid out a firm standard for our alliance partners” on pilot hiring and qualifications. “We have not defined a standard for our partners, but through avenues like our flight operations and training forum, we have discussed the standards, the approach to hiring and what our expectations are for pilots at Delta and at Delta Connection,” said Delta’s Hylander. “When we get nine airlines — Delta and the partners — together, there always can be different views of what works best. That is part of the reason why the FAA mandates that each carrier have its own certificate.”

A representative from US Airways concurred. “Basically, we are not hands-on in [code-share partners’] training programs, but we provide expertise,” said Paul Morell, vice president, safety and regulatory compliance, US Airways. “What is important when we look at a training program is that it’s based upon ... the environment pilots are flying in, the type of airplanes they’re flying, what type of experience they have, and all the data coming into our advanced qualification program.”

Code-sharing itself is not a safety issue, said John Prater, a captain and president of the Air Line Pilots Association, International. He called lift capacity-purchase agreements, which he termed “fee-for-departure” and “outsourcing,” factors that leave a regional airline an “extremely limited ability to change its revenue.” His concerns included potentially increased risks caused by rapid shifts of regional airline pilots from familiar to unfamiliar operating environments, significantly less training for regional airline first officers to become

qualified as captains than for mainline carrier pilots, and “many carriers ... driven to flying the most fatiguing combinations of schedules in the entire industry.”

Airline and airline-alliance presenters explained how they address independent, but mutually supportive, safety responsibilities. All operate under FARs Part 121. “As the passengers expect, there is one level of safety,” said Roger Cohen, president of the Regional Airline Association. “It is unfair [to imply] without any factual basis that any carrier out there is practicing anything or would do anything to cut costs that would reduce safety.”

Some presenters countered stereotypes of entry-level qualifications of regional airline pilots. “When pilots arrive at Compass, they have an average of more than 3,200 flight hours of pilot experience and, of that, 1,300 hours as pilot-in-command; nearly 80 percent have prior FARs Part 121 [crew] experience,” said Mark Millam, director of safety and compliance, Compass Airlines, a Delta code-share partner.

In U.S. domestic operations, a growing number of regional airlines undergo the IATA Operational Safety Audit (IOSA) every two years, share IOSA audit reports with mainline code-share partners and maintain IOSA registration, the airlines’ representatives said. Most also submit to U.S. Department of Defense audits of quality and safety standards for charter airlift.

“We encourage the use of IOSA and whatever other mechanisms of that kind help the operator to deal with their legal responsibility to operate at the highest level of safety,” the FAA’s Duncan said. If non-IOSA-registered code-share partners are acceptable, U.S. mainline airlines typically conduct IOSA-like audits of them.

For example, American Eagle, in the process of IOSA audit preparations as of

October, was the only code-share partner of American Airlines without IOSA registration, said David Campbell, vice president, safety, security and environment, at American Airlines. Ric Wilson, vice president, safety and compliance, at American Eagle, said that his company had considered IOSA registration unnecessary before the past two years’ news stories questioning regional airline safety.

Code-sharing arrangements have introduced safety program requirements that the FAA cannot, airline presenters said. Mainline carriers are free to assess, for example, safety management systems, aviation safety action programs, flight operational quality assurance, line operation safety audits, internal evaluation programs and fatigue risk management systems. They also perform unannounced audits/inspections if warranted by safety or business developments, such as leadership changes, company restructuring or a fine proposed by the FAA.

“If warranted, we will suspend the code-share,” said Michael Quiello, vice president, corporate safety, security and environment, United Airlines. “I recently suspended a code-share with Thai Airways [until they were able to get an IOSA registration renewal] because they did not meet the IOSA audit timeline. It doesn’t mean they were not safe; they couldn’t do it because of civil unrest in Bangkok, but the standard is the standard.”

Another example cited was American Airlines terminating all its code-sharing agreements with Mexican airlines, as required by the FAA International Aviation Safety Assessments Program. From July 30–Dec. 1, 2010, the program downgraded Mexico to Category 2 — meaning that the FAA judged the country as not currently compliant with International Civil Aviation Organization standards.

At Delta, infrastructure for code-sharing safety has been spelled out in the *Delta Connection Carrier Non-Regulatory Safety Programs Standards Manual*. This manual specifies, for example, that each partner must have a system for tracking unstable approaches, enhanced ground-proximity warning system alerts, and pilot compliances with resolution advisories from traffic-alert and collision avoidance systems.

Teams comprising all the airlines’ directors of safety in a code-sharing arrangement typically have formal exchanges of safety data, experience and expertise, other representatives said. For example, the US Airways Directors of Safety Alliance developed a flight safety index, which gives an overall quantitative score to events that could affect safety as a result of a mechanical condition or a flight operations irregularity, such as an unstable approach, altitude deviation, navigation error, runway incursion, air traffic control clearance deviation or rejected takeoff, said US Airways’ Morell. ➤

Notes

1. Hersman cited the Feb. 12, 2009, Continental Connection flight operated by Colgan Air near Buffalo, New York (ASW, 3/10, p. 20); the April 12, 2007, Northwest Airlin flight operated by Pinnacle Airlines near Traverse City, Michigan (ASW, 10/08, p. 20); the Feb. 18, 2007, Delta Connection flight operated by Shuttle America in Cleveland (ASW, 9/08, p. 22); the Aug. 27, 2006, Delta Connection flight operated by Comair in Lexington, Kentucky (ASW, 11/07, p. 38); and the Oct. 19, 2004, American Connection flight operated by Corporate Airlines in Kirksville, Missouri (ASW, 12/07, p. 47).
2. Requirements for approval are in FARs Part 257, “Disclosure of Code-Sharing Arrangements and Long-Term Wet Leases,” effective Jan. 1, 2003. Requirements were tightened effective Aug. 1, 2010, by the Airline Safety and Federal Aviation Administration Extension Act of 2010.