

**Report on the meeting of the  
Canadian Aviation Executives'  
Safety Network (CAESN)  
of April 14, 2003**

Prepared by RANA International Inc.

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# REPORT ON THE CAESN ASSEMBLY OF 14 APRIL 2003

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## BACKGROUND

The Canadian Aviation Executives' Safety Network (CAESN) was developed to build on the successes of the Safety Through Partnership Conference held in Toronto in November 2000. The CAESN will meet at least annually to dialogue on issues of safety in the aviation industry in Canada.

## OBJECTIVES OF THE CAESN ASSEMBLY

The objectives of the first annual Assembly of the Canadian Aviation Executive's Safety Network (CAESN) held on 14 April 2003 were to:

- Identify aviation safety challenges and mitigation strategies; and to
- Provide a forum for dialogue regarding the viability and direction of the aviation industry in Canada.

## KEY RESULT AREAS

Key result areas for gathering information and possible actions resulting from the Assembly were identified prior to the Assembly as:

1. Regulatory requirements
2. Security and emergency preparedness
3. Public confidence in air travel, industry viability and costs
4. Levels of service

## PARTICIPANTS

Participants in the 2003 CAESN Assembly represented a broad spectrum of Chief Executive Officers and senior executives from the aviation industry, such as airport and aircraft operators, air navigation providers, manufacturers, industry associations and senior government officials. The US Federal Aviation Administration (FAA) also participated.

## HOW THE ASSEMBLY UNFOLDED

The Assembly gathered at the International Civil Aviation Organization (ICAO) and was called to order by the moderator, Paul Cormier, Vice President of Research and Development at

RANA International Inc., who introduced the host of the Assembly, Mr. Merlin Preuss, Director General of Civil Aviation at Transport Canada. In his opening remarks, Mr. Preuss touched on:

- *The history and importance of the CAESN;*
- *Movement forward in Safety Management Systems in aviation organizations as the cornerstones for improving the safety and economic performance of the aviation industry;*
- *Civil Aviation's Integrated Management System as an essential step in taking a leadership role in SMS;*
- *The challenge of recruiting, training and retaining high quality in the industry both as operators and as inspectors;*
- *The objectives for the forum to identify aviation safety challenges and mitigation strategies and to provide a forum for dialogue on the viability and direction of the aviation industry in Canada.*

Presentations by the Air Operators' Panel revolved around the current safety challenges, and the possible solutions to these challenges. The morning Panel was made up of:

- *Robert Giguere, Executive Vice-President of Operations at Air Canada;*
- *T.W. (Tim) Morgan, Senior Vice-President of Operations at Westjet;*
- *Russell Payson, President and CEO of Skyservice Inc.;*
- *J Clifford MacKay, President and CEO of the Air Transport Association of Canada;*
- *Kevin Psutka, President and CEO of the Canadian Owners and Pilots Association;*
- *Rich Gage, President and Chief Executive Officer, Canadian Business Aviation Association.*

A moderated discussion followed, with notes captured by TC and RANA staff members. After lunch, a second panel made up of Service Providers provided their perspective and ideas on the challenges and solutions surrounding the key result areas. Panelists for the afternoon session were:

- *Kathy Fox, Vice President, Operations at NAV CANADA;*
- *Neil Raynor, Executive Director of the Canadian Airports Council;*
- *Mark Duncan, Vice-President of Operation at the Canadian Air Transport Security Authority;*
- *Valerie Dufour, Director General of Air Policy at Transport Canada;*
- *William J. Elliott, Assistant Deputy Minister, Safety and Security at Transport Canada.*

The afternoon's discussion was followed by a review of the actions developed during the day, a summary by the host of the Assembly, Merlin Preuss, and concluding remarks by the Moderator.

## **CHALLENGES IDENTIFIED**

During the course of the day, panelists and participants identified the following challenges facing the aviation industry in Canada:

## **Communications**

- The need for strong internal and external communication, supported by the industry including training via internet tools and improved e-learning;

## **Consistency, re. Security Processes**

- The need for consistency in the application of new security processes and procedures between locations to ensure public confidence (communication leads to integration of practices which leads to consistency of application);

## **Determining Levels of Service**

- The need to review levels of service from service providers in terms of industry health, so that they are providing what is needed when it is needed;
- The need to ensure that Transport Canada and NAV CANADA have sufficient resources (including contract resources) to support changes taking place, both regulatory and operational.

## **Development of Regulations**

- The need to review the regulatory development process to ensure: improved front-end consultation with industry, simplified mechanics e.g. for CARAC, in depth economic analysis through refocusing of the RIAS process, and a strategic forum on regulations involving a thorough analysis by government and industry of the issues giving rise to regulations;
- The need to understand what the industry views as political interference in regulatory development with the legitimate exercise of ministerial functions in the transportation industry;
- The need to pursue “smart regulations” as a way of rationalizing the challenges and issues of the industry with the requirement for due diligence in safety;
- The need to ensure that regulatory dialogue takes place across Canada, and not just in the Montreal-Ottawa-Toronto triangle.

## **Economic Incentives**

- The need to look at hard issues of cash, e.g. rent for service providers as a major cost factor for the industry, the economic impact of implementing security measures such as the removal of life vests for security checks;
- The need to merge the need for safety with economic realities in a way that is suitable to Canadians: “Let’s do what’s wise...”

## **Human Resource Management**

- The need to understand human factors in safety, e.g. fatigue and focus, and line up human resources to the emerging safety culture of SMS;
- The need for government-industry partnerships for training, such as Safety Awareness Seminars, and to promote the safety culture at the line level of the organization.

## **Information**

- The need for information in the form of statistics that tell us what is happening in the industry, e.g. number of hours flown, increases in non-certified aircraft.

## **Management of Change**

- The need for the industry to be able to understand and effect necessary and timely change, helped and supported by Transport Canada, in order to face the uncertainty of the current market place and survive as an industry;
- The need for focused attention on general aviation since it is an important part of the overall long-term health of our industry.

## **Management Practices**

- The need for integrating management practices, such as building Safety Management Systems into business plans, and monitor performance, through review, feedback and reporting.

## **Safety Management Systems**

- The need for the industry to move to a Safety Management System that recognizes the realities of industry Business Models as a top priority, with the guidance of Transport Canada such as clearly articulated policies and procedures;
- The need to look at and demonstrate the direct Cost Benefit of safety and the implementation of safety management systems;
- The need to understand that elements of SMS are currently alive and well and living in most aviation organizations, but needs visibility and documentation.

## **Technology**

- The need to promote technical safety enhancing aids, e.g. EVS, to make the technology worthwhile, and to measure the enhancements provided by the use of technology.

## **ACTIONS TO BE DEVELOPED**

From the above challenges, the following actions emerged from the deliberations of the Assembly, organized along the lines of the Key Result Areas:

### **1. *Regulatory Requirements:***

- Encourage Transport Canada officials to act as resources and guides for the implementation of such changes as Safety Management Systems, and ensure that Transport Canada has well fleshed out principles, policies and procedures in place and accessible to industry for the implementation of SMS;
- Implement strong communications and support on SMS to assist small and medium size companies, using the experience gained from large operators, aimed at ensuring a level playing field for all operators;
- Ensure that there is adequate economic analysis on the impact of proposed regulatory change and line up the RIAS process to that end;
- Continue to pursue “Smart Regulations” as a way of ensuring a thorough review of issues and flexible rule making (re. “Highest practicable safety and security of life and property – guided by performance-based standards and regulations when necessary”: the first principle of Straight Ahead, the Minister’s framework to guide future decisions, which sets out principles and strategic directions);
- Emphasize improved consultations at the front end of the regulatory process, in contrast to presenting the industry with regulations that are already thought through in a given direction;
- Improve the CARAC process to ensure that it is as efficient as possible, including ensuring access and representation of Western industry Groups.

### **2. *Security and Emergency Preparedness***

- Continue the movement towards tighter security passes, e.g. Smart Cards;
- Improve and ensure consistency on security processes from location to location, especially for aircrew and cargo (“a consistent, explainable and expedient process”)
- Establish an effective and appropriate process, re. a more formal consultation mechanism for amendments to aviation security regulatory requirements;
- Develop greater openness in communicating with the traveling public on security issues, e.g. on the list of prohibited items.

### **3. *Public Confidence in Air Travel, Industry Viability and Costs***

- Develop a national strategic plan for safety and Safety Management Systems, involving both industry and government, and integrate a mechanism to determine broad national priorities nationally;

- Develop the means to collect information centrally in order to get a clearer picture of safety in the industry sectors (i.e. safety statistics on General Aviation) while ensuring confidentiality and a no-blame culture;
- Demonstrate the direct cost-benefit of safety in order to link safety with the economics of the industry.
- Emphasize the use of risk assessment as an integral part of industry business models (e.g. a risk-consequence matrix by which to test regulations through the CARAC process);
- Develop strategies to deal with the human factor (e.g. with the involvement of Human Resources Development Canada);
- Find the means to communicate more effectively to the traveling public what we have done to ensure the operation of a safe aviation system (safe, secure and accessible).

#### **4. Levels of Service:**

- Ensure that the appropriate level of service is applied to the industry, given its needs and economic viability, and provide support for the implementation of regulations and system wide changes, e.g. SMS;
- Review the practice of rent-free accommodation of service providers in industry sites;
- Review the hidden costs to industry for the application of security measures, and identify the means to deal with them.

## **OVERALL CONCLUSIONS**

Overall conclusions reached by the Assembly were that:

- Continuing dialogue between industry and government was valuable as an effective process for working together on issues and improving communications;
- The CAESN may be an appropriate gathering by which to develop a National Aviation Policy, based on strategic dialogue on issues and the future of the industry, and the Minister of Transport's Straight Ahead vision.

## **CAESN 2004**

Merlin Preuss closed the Assembly with the hope that the dialogue of its participants would produce concrete and actionable results by both industry and government and convened participants to the second annual CAESN Assembly to be held in Toronto on 19 April 2004.