

Advocacy Recommends That FAA Consider the Impact of Safety Management System (SMS) on Small Aviation Businesses

On October 21, 2009, the U.S. Small Business Administration's (SBA) Office of Advocacy (Advocacy) submitted comments to the Federal Aviation Administration (FAA) on the FAA's Advance Notice of Proposed Rulemaking (ANPRM) on *Safety Management System (SMS)*. [74 Fed. Reg. 36414 (July 23, 2009)]. FAA requests comments on whether regulated entities in the aviation sector should be required to implement a SMS as a regulatory mandate.

SMS is defined by FAA as a comprehensive, process-oriented approach to safety throughout an organization, including an organization-wide safety policy, formal methods of identifying potential hazards, mitigating and continually assessing risk, and the promotion of a safety culture. The United States has endorsed various international agreements through the International Civil Aviation Organization (ICAO) to require airline operators and aviation service providers within member states to require the establishment of SMSs as regulatory requirements. The FAA seeks comment on how such requirements might be structured within the United States.

The SMS issue was discussed at Advocacy's regular small business aviation safety roundtable on September 22, 2009. Small business representatives at the meeting expressed concern about the open-ended nature of SMS as a regulatory requirement and worry that mandating SMS would lead to an expanding, self-perpetuating regulatory regime lacking administrative process.

A complete copy of Advocacy's letter to FAA is available at: www.sba.gov/advo/laws/comments/.

- Small business representatives stated that FAA should identify the specific safety hazard SMS is intended to address and demonstrate how SMS would alleviate that particular hazard. They believe that FAA regulations should identify and mitigate specific hazards, not hypothetical risks.
- Since a SMS requires a continual assessment (and re-assessment) of "potential" or "perceived" risks, small business representatives are concerned that a SMS mandate would mean that regulatory compliance could never be fully achieved.
- Small business representatives stated that any SMS requirements should be incorporated into the Code of Federal Regulations and existing FAA-approved quality programs.
- Advocacy expressed concern that SMS could be especially costly and burdensome for small businesses, and recommended that FAA consider a tiered approach that would be scalable to the size, scope, and complexity of the operation.

For more information about rule, please visit Advocacy's Web page at www.sba.gov/advo or contact Bruce Lundegren, Assistant Chief Counsel, at (202) 205-6144 (or bruce.lundegren@sba.gov).