

CAAC Document

CAAC ARD 2024 No. 37

Notice from the CAAC on Issuing the Administrative Procedure for Operation Assessment of Foreign Air Carriers Engaged in Public Air Transport

June 4, 2024

To CAAC Regional Administrations, International Cooperation and Service Center of CAAC:

In order to enhance the continuous safety oversight of the operation of foreign public air carriers in China, establish an operational safety assessment mechanism, and assess the operation by such air carriers in a fair, stringent and standardized manner, amendment is made to the *Administrative Procedure for Operation Assessment of Foreign Air Carriers Engaged in Public Air Transport* in accordance with the civil aviation *Regulations on the Operation Certifications for Foreign Air Carriers Engaged in Public Air Transport* (CCAR-129).

This AC is hereby issued, and you are requested to organize learning sessions in a bid to ensure successful assessment of foreign air carriers' operation based on actual situations.

The International Cooperation and Service Center is requested to forward this AC to the foreign air carriers concerned.

Civil Aviation Administration of China



Advisory Circular

Civil Aviation Administration of China

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Administrative Procedures for Operation Assessment of Foreign Air Carriers Engaged in Public Air Transport

(This is the translation only for reference)

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1. Objectives and Statutory Basis

In order to strengthen the continuous safety oversight on foreign air carriers engaged in public air transport in China, establish an operation safety assessment mechanism, and provide CAAC Regional Administrations (hereinafter referred to as RA) with guidance on the operation safety assessment of such air carriers, this Advisory Circular (hereinafter referred to as AC) is developed in accordance with the *Regulations on the Operation Certifications for Foreign Air Carriers Engaged in Public Air Transport* (CCAR-129).

2. Applicability

This AC is applicable to foreign air carriers who initially apply for the issuance of CCAR-129 Operations Specifications and those which have been issued with CCAR-129 Operations Specifications.

3. Background

In recent years, the number of foreign air carriers operating in China which have been issued with CCAR-129 Operations Specifications has increased gradually and the traffic volume has also achieved continuous growth. However, the safety performance of foreign air carriers' operation varies greatly, with some air carriers experiencing frequent occurrences related to operation safety, with prominent safety hazards. Article 78 of the *Work Safety Law of the People's Republic of China* states "Departments in charge of operation safety oversight shall establish an information database on acts of violation of work safety codes, and truthfully record information on such violations by production and operation entities. Where a production and operation entity is involved in a serious violation, such a violation shall be made publicly known and be reported to the competent authorities concerned". ICAO also states in its *Manual of Procedures for Operations Inspection, Certification and Continued Surveillance* (ICAO Doc 8335) "Where seriousness of findings during the inspection of foreign air carriers is major, corrective actions required, which include operational restrictions, corrective actions before flight or at maintenance base, grounding and/or withdrawal of approval to operate in the territory of the State, will depend on national regulations". In accordance with relevant Chinese regulations on civil aviation and ICAO guidance materials, CAAC has established an administrative procedure and system for assessing the operation of foreign air carriers, in order to improve the safety level of foreign air carriers operating in China.

4. References

Convention on International Civil Aviation and its Annexes;

Manual of Procedures for Operations Inspection, Certification and Continued Surveillance (ICAO Doc 8335);

Regulations on Civil Aviation Safety Information Management (CCAR-396);

Foreign Air Carriers' Procedure for Reporting Safety Occurrences (AC-396-04);

Notice on the Second Revision of the Standard Format of CCAR-129 Operations Specifications (CAAC Flight Standard Policy 2022 No. 2);

Operations and Maintenance Specifications for Foreign Air Carriers in China (AC-129-FS-002);

Classification of Civil Aircraft Incidents (AC-395-AS-01);

Safety Occurrences Samples (AC-396-08); and

Inspector Handbook on Foreign Air Carriers

5. General Rules

This AC adopts a score-based assessment method aimed at risk control. When, as the result of safety level of foreign air carriers deteriorating, the score deducted reaches a threshold or the overall ranking is into an unsatisfactory range, CAAC will impose appropriate administrative measures as a safety warning on foreign air carriers operating in China, urging them to improve their safety level. Assessment shall be based on the *Convention on International Civil Aviation* and its Annexes, as well as relevant Chinese civil aviation laws, regulations, and rules.

6. Authorities and their Responsibilities

6.1 CAAC is responsible for developing foreign air carriers certification and surveillance system under CCAR-129, which forms part of its Flight Standards Oversight Program (FSOP), and for establishing an evaluation and assessment mechanism for the operation of foreign air carriers. CAAC comprehensively analyzes and assesses the operation data of foreign air carriers and the data collected by RAs and Safety Oversight Bureaus (SOBs), scores air carriers' performance based on the automatic system data recording and analysis function, and regularly notifies the Civil Aviation Authority (CAA) of the foreign air carrier's country of the assessment results of the air carrier's operation.

6.2 CAAC RAs and SOBs shall collect relevant data on the operation of foreign air carriers in accordance with this AC and submit the data to the corresponding CAAC RA responsible for issuing the Operations Specifications (hereinafter referred to as the Issuing RA). The Issuing RA shall provide a score based on the operation data of foreign air carriers collected by the FSOP system and impose administrative measures on the foreign air carriers under its jurisdiction based on the assessment results.

6.3 CAAC may assign an account to the CAA of the foreign air carrier's country, through which the assessment results of the operation of the air carrier and the rectification notices issued by CAAC RAs can be viewed. To apply for an account, please contact CAAC: its@caac.gov.cn.

6.4 Even after the CCAR-129 Operations Specifications for a foreign air carrier has been terminated, the assessment files shall be maintained on a long-term basis, which

can provide basic information while the air carrier reapplies for Operations Specifications.

7. Items and Points Concerning Operation Assessment

The following table shows the items to be assessed and the scoring rationale. The RA responsible for Operations Specifications shall provide a score based on the rationale listed below.

| Part A: Application and Compliance with Operations Specifications | | |
|--|---|--------|
| Introduction: According to the <i>Convention on International Civil Aviation</i> and ICAO Doc 8335, CAAs have the authority to develop corresponding certification and continuous surveillance procedures. CCAR-129 and its clauses regarding Operations Specifications approval stipulate the requirements for application materials, registered aircraft, operating airports, alternate airports, types of operation, and contact information of foreign air carriers. | | |
| No. | Items | Points |
| 1 | During initial certification, the State of the foreign air carrier is listed as State with significant safety or security concerns by ICAO. Note: If the air carrier has passed a third-party safety audit recognized by CAAC and the audit results are higher than average in the industry (such as the IATA Operational Safety Audit), the assessment points can be adjusted to -4. | -8 |
| 2 | Foreign air carrier filing the initial application for CCAR-129 Operations Specifications has a total of less than 3 aircraft (excluding 3) eligible to join CCAR-129, or air carrier with 100% wide-body fleet has a total of less than 2 aircraft (excluding 2 aircraft) eligible to join CCAR-129; Foreign air carriers, as the holder of CCAR-129 Operations Specifications, whose total number of aircraft in the Operations Specifications has been reduced to 2 or less, or the total number of aircraft in CCAR-129 Operations Specifications of air carriers with 100% wide-body fleet has been reduced to 1. Wet leased aircraft is not included in the aforementioned scenarios. | -4 |
| 3 | Foreign air carriers who obtain the AOC issued by their respective countries but have been in operation for less than 3 consecutive years at the time of initial application. | -4 |
| 4 | China is the first scheduled international destination for the foreign air carrier at the time of initial application. | -2 |
| 5 | Fabricating initial or supplementary application materials. | -5 |
| 6 | The airports that the foreign air carrier operate at are not listed in the approved Operations Specifications, and the flights are not charter flights or special government transport missions. | -4 |

| | | |
|---|--|----|
| 7 | The aircraft being operated are not listed in the approved Operations Specifications and are not for charter flights or special government transport missions. | -4 |
| 8 | The alternate airport for destination in the flight plan is not listed in the approved Operations Specifications. | -1 |
| 9 | The contact information of the authorized representative of the foreign air carrier is invalid. | -2 |

Part B: Findings Identified during Continuous Surveillance

Introduction: According to Article 16 of the *Convention on International Civil Aviation*, ICAO Doc8335, and CCAR-129, contracting States have the right to conduct ramp inspections over arriving and departing aircraft and to impose operational restrictions and ask for corrective actions, etc.

| No. | Items | Points |
|-----|---|--|
| 10 | Foreign air carriers who do not login to update operating information every calendar month. | -2 |
| 11 | Foreign air carriers who refuse to undertake ramp (including station) inspections by civil aviation authorities. | -4 |
| 12 | Foreign air carriers who do not cooperate with the authorities in implementing ramp (including station) inspections. | -2 |
| 13 | Foreign air carriers who resume flights at their own discretion without the decision of their own CAAs responsible for airworthiness when the aircraft shows unairworthy conditions. | -2 |
| 14 | Foreign air carriers who violate regulations and start flights without the permission from CAAC department in charge of investigation and evidence collection. | -2 |
| 15 | Foreign air carriers who are found with defects that have a major impact on safety and fail to submit valid feedback reports within 30 working days after receiving notification. | -1 |
| 16 | Points will be deducted for the findings identified during ramp/station inspections and administrative inspections. Note: The data is automatically generated by the FSOP system. Please refer to the <i>Operations and Maintenance Standards for Foreign Air Carriers Within China</i> (AC 129 FS 002 R1) for specific methods. | Basic Points: Operating Performance Score |

Part C: Occurrence Handling

Introduction: This part refers to occurrences related to operation safety that happened in China. At present, they are divided into four classes: general events, incidents, serious incidents, and accidents. According to CCAR-396 and the attributions reported to China's civil aviation safety information in accordance with the *Foreign Air Carriers' Procedure for Reporting Safety Occurrences* (AC-396-04 R1), they are divided into occurrences attributed to flight crew, cabin

crew, maintenance, flight dispatch, air traffic control, military, mechanical reasons, ground support, adverse weather, management, and others. The Foreign Air Carrier Divisions of CAAC RAs can login to the Civil Aviation Safety Information System to view the occurrence information of the foreign air carriers under their jurisdictions, and file and record the information as needed. After the investigation by relevant departments, points will be deducted for occurrences caused by flight crew, cabin crew, flight engineers, flight dispatch, management, aircraft mechanical malfunctions, and other air carrier-related reasons.

| No. | Items | Points |
|-----|--|--------|
| 17 | Flight accidents in transport aviation. | -4 |
| 18 | Serious incidents in transport aviation. | -3 |
| 19 | Incidents in transport aviation. | -2 |
| 20 | General events in transport aviation. | -1 |

Part D: Investigation of Operation Safety Related Occurrences or Administrative Interviews

Introduction: According to Annex 19 of the *Convention on International Civil Aviation*, *Civil Aviation Law of the People's Republic of China*, *Work Safety Law of the People's Republic of China* and *Regulations on Civil Aviation Safety Management*, CAAC reserves the right to investigate or carry out administrative interviews on foreign air carriers regarding the occurrences related to operation safety that happened in China. And the *Measures on Civil Aviation Credit Management* also stipulates that dishonest behavior is divided into serious dishonesty and general dishonesty. CAAC RAs have the right to record and remove identified dishonesty. According to this assessment method, 4 points will be deducted for serious dishonesty and 2 points will be deducted for general dishonesty.

| No. | Items | Points |
|-----|--|--------|
| 21 | Foreign air carriers who fail to provide feedback and take measures based on the investigation within the prescribed period after receiving notification on occurrence investigation given by the authority, or do not attend the administrative interviews after receiving notification from the authority. | -4 |
| 22 | Foreign air carriers who have been included in the list of general dishonesty. | -2 |
| 23 | Foreign air carriers who have been included in the list of serious dishonesty. | -4 |

8. Scoring Rules

8.1 The FSOP system implements automatic scoring for foreign air carriers based on the points listed in the table in Section 7 of this AC item by item. When a single scenario of a foreign air carrier simultaneously triggers multiple scoring items, the point will be deducted under each item, and the final score would be the accumulation of all items.

8.2 The original point for foreign air carriers is 0. From the date of confirming the nature of the scenario triggering the scoring item, every 6 consecutive calendar months thereafter constitutes a scoring cycle. If there are no new deduction items during this period (excluding deduction caused by the situations listed in Item 16), 2 points will be automatically restored after the expiration of the period until the points of the foreign air carrier return to 0. When any deduction item other than Item 16 appears during the period, the 6-month scoring cycle will be re-initiated accordingly.

8.3 The scoring records generated based on the fleet size of a foreign air carrier as per Item 2 shall not be periodically restored until the number of its aircraft in CCAR-129 Operations Specifications meets the requirement listed in the scoring items.

8.4 The scoring records generated as per Item 5 due to fabricated initial application materials shall be retained indefinitely without periodic recovery until the air carrier finally obtains CCAR-129 Operations Specifications approval.

8.5 The operating performance score as per Item 16 shall be managed periodically in a separate manner. After each inspection, the findings and the rectification will be uploaded onto the system, and a score will be given. The 6-month scoring cycle can only be re-initiated after all the findings have been rectified, and the corresponding points will be automatically restored when the cycle is re-initiated. (Note: If the points deducted are less than 2, the restored points will be the deducted points; if the points deducted are more than 2, 2 points will be restored within one scoring cycle, and the remaining points will be postponed to the next cycle for restoration.)

8.6 Items 1 to 5 are applicable to foreign air carriers who make initial applications for CCAR-129 Operations Specifications. For a foreign air carrier who has initially obtained CCAR-129 Operations Specifications, the system will automatically set no less than 10 ramp inspections for it. If findings listed in Item Part B are identified during surveillance, the score will be deducted following the relevant Items 10-15. At the same time, ramp inspection findings identified will be scored based on the operating performance score as prescribed in Item 16. (Note: The operating performance scoring rules are stipulated in the *Operations and Maintenance Standards for Foreign Air Carriers Within China* (AC 129 FS 002 R1).)

9. Management Measures

9.1 -12 points or below: for air carriers who hold CCAR-129 Operations Specifications, the Issuing RA may revoke their CCAR-129 Operations Specifications; for air carriers who make initial applications for CCAR-129 Operations Specifications, the Issuing RA may not approve their applications. If the CCAR-129 Operations Specifications is revoked due to the accumulated points, the foreign air carrier may only reapply one year after the date of revocation.

9.2 -8 points or below: for air carriers who hold CCAR-129 Operations Specifications, the Issuing RA may not approve the addition of aircraft and destinations in their CCAR-129 Operations Specifications, and may reduce the number of aircraft and destinations based on continuous surveillance; for air carriers who initially apply for

CCAR-129 Operations Specifications, the Issuing RA may limit the approval of aircraft and destinations in their CCAR-129 Operations Specifications. Upon getting approval from Flight Standards Department of CAAC, the Issuing RA may conduct main base inspections where its AOC management authority is located. Reassessment and scoring will be conducted based on the inspection results.

9.3 The FSOP system adopts automatic ranking based on the scores of foreign air carriers. For foreign air carriers who hold CCAR-129 Operations Specifications, The RAs will organize ramp inspections at different frequencies according to the system ranking and carry out station inspections as appropriate. The basic principle is that the higher the ranking, the more frequent the inspections.

Note: The purpose of implementing the above management measures is to control the abrupt changes in the safety trend of air carriers at different periods, and to urge them to take effective measures to improve operation quality. For foreign air carriers with the same score, the ranking will be determined in consideration of the total number of flights so as to objectively measure the safety level of the air carriers. The main principles are as follows:

(1) Occurrence rate. Based on the severity of occurrences, the rate is calculated by dividing the score of occurrences by the flight volume and then ranked in a descending order. Flight volume refers to the total number of flights operated by air carriers in accordance with CCAR-129 Operations Specifications for the 12 consecutive months prior to the ranking.

(2) Ranking in reverse order of flight volume. According to the aforementioned principle, foreign air carriers with the same ranking score are ranked in reverse order based on their flight volume. The lower the flight volume, the higher the ranking.

10. Air Carriers From Hong Kong and Macao Special Administrative Regions

The daily surveillance and operation assessment of air carriers from Hong Kong and Macao Special Administrative Regions shall be carried out in accordance with this AC.

11. Enter Into Effect

This AC shall enter into effect from the date of issuance. The *Administrative Procedure for Operation Assessment of Foreign Air Carriers Engaged in Public Air Transport* (AP-129-FS-2016-01-R1) issued on September 18, 2016 shall be abolished at the same time.