



Will “Blacklists” Enhance Airline Safety?

A Discussion of the Presentation of Prof. Dr. A. Knorr

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Outline

- ▶ Key Aspects of the Paper
- ▶ Agenda for Politics
- ▶ Research Questions
- ▶ Literature





Key Aspects of the Paper

- ▶ Main problem is asymmetric information
- ▶ Conflicts of interest within a country may compromise safety
- ▶ Statistical and/or methodical problems complicate the estimation of accident probabilities and the development of safety indicators
- ▶ Effectiveness of ramp-checks is limited
- ▶ Different methodologies applied for blacklists in the US and in the EU
- ▶ Main weakness of EU blacklist: Airlines listed there have not been flying for years (if at all) to Europe, some may even exist only on paper
- ▶ Main weakness of US "blacklist": Airlines are punished for inadequate oversight system of their home countries, even if they have a good corporate governance

Conclusion: Blacklists give no guarantee to fly safely



Agenda for Politics

- ▶ Blacklists try to cure symptoms – but causes of “unsafe” air transport operations must be cured!
- ▶ Systemic aspect of accidents in air transport must not be forgotten – airlines are only one part in the puzzle
- ▶ Standardisation of incident reporting not only for airlines, but also for ATC providers and airports
- ▶ Problem within the EU: Authorities try to protect consumers, but do not deliver transparent information
- ▶ US authorities treat consumers as mature and responsible to make their own decisions, deliver a higher degree of transparent information
- ▶ Reduction of the asymmetric information problem by publication of data on “minor” incidents/violations?



Methods to reduce asymmetric information

USA:

- ▶ FAA Quarterly Enforcement Report
- ▶ Publicly available since 1997
- ▶ Includes name of carrier, reason and sanction
- ▶ Contains information about sanctions against foreign carriers:

2005EA700577	DEUTSCHE LUFTHANSA AG	FOREIGN AIR CAR	03/02/05	ORD ASSESS CP HMT	12000	DOLLARS	HAZ MAT	02/10/06
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Source: FAA

- ▶ Most frequent violations: Haz Mat, Maintenance, Flight Operations
- ▶ Practical relevance: Do passengers read & understand such reports?
- ▶ Moreover: Do passengers base their airline choice on such reports?



Research Questions

- ▶ How do insurance companies classify airlines for hull loss insurances?
- ▶ Could such a classification methodology enhance public level of information?
- ▶ Would consumers honour improved transparency in practice?
- ▶ Statistical analysis of FAA Quarterly Enforcement Reports – Does the amount of sanctions correlate with ex-post safety record and/or with size of operations?
- ▶ What is an effective way to help countries to improve their oversight system (Development Aid)?
- ▶ Future Challenge: Oversight of global maintenance outsourcing



Literature

- ▶ FAA Quarterly Enforcement Reports:
http://www.faa.gov/about/office_org/headquarters_offices/agc/operations/agc300/Reports/
- ▶ SN Brussels A330 OO-SFM ramp checks at Kigali:
http://www.gov.rw/government/press%20release_SN_brussels.html