AVIATION SAFETY

Oversight of Foreign Code-Share Safety Program Should Be Strengthened

Why GAO Did This Study

U.S. airlines are increasingly relying on code-share partnerships with foreign carriers to provide additional sources of revenue. Code-sharing is a marketing arrangement in which an airline places its designator code on a flight operated by another airline and sells and issues tickets for that flight. To determine whether the foreign code-share partners of U.S. airlines meet an acceptable level of safety, in 2000, the Department of Transportation (DOT) established the Code-Share Safety Program, which requires U.S. airlines to conduct safety audits of their foreign code-share partners as a condition of code-share authorization.

GAO's objective was to assess the federal government's efforts to provide reasonable assurance of safety and security on foreign code-share flights. GAO reviewed (1) the extent to which DOT's code-share authorization process is designed to consider safety and security, (2) the Federal Aviation Administration's (FAA) management of the Code-Share Safety Program, and (3) the implementation of the program by airlines and the results.

What GAO Recommends

GAO recommends that DOT clarify procedures for airlines to follow in documenting corrective actions and improve management controls over FAA's reviews of safety audit reports. DOT agreed to consider the recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-05-930.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Gerald Dillingham at (202) 512-2834 or dillinghamg@gao.gov.

What GAO Found

In considering U.S. airlines' requests to establish code-share arrangements with foreign carriers, DOT's Office of International Aviation reviews, among other things, any safety and security objections from FAA and TSA. FAA assesses the safety of foreign civil aviation authorities and reviews reports of the safety audits that U.S. carriers have conducted of their foreign airline partners. From fiscal years 2000 through 2004, DOT (1) authorized U.S. airlines to establish or maintain code-share arrangements with foreign carriers 270 times and (2) did not suspend any arrangements because of known safety concerns. According to FAA, however, U.S. airlines occasionally have decided not to pursue code-share arrangements with foreign carriers because they expected FAA would object, and FAA sometimes puts its reviews of proposed code-share arrangements on hold if the agency has safety concerns. FAA and TSA did not object to any of the authorizations during that period for safety or security reasons. Although not involved in the code-share authorization process, the Department of Defense (DOD) reviews the safety of foreign airlines that transport DOD personnel. For their separate programs, FAA and DOD are reviewing many of the same safety audit reports on foreign carriers.

The Code-Share Safety Program, which calls for U.S. airlines to conduct periodic safety audits of their foreign code-share partners, incorporates selected government auditing standards involving independence, professional judgment, and competence. However, FAA's reviews of the safety audit reports lacked management controls for reviewers' qualifications, documenting the closure of safety audit findings, verifying corrective actions taken in response to findings, and documenting reviews.

Eight U.S. airlines with foreign code-share partners have implemented the DOT program by conducting safety audits of their foreign partners. According to our review of a random sample of audit reports that FAA reviewed from fiscal years 2000 through 2004, the largest numbers of safety findings identified were in the categories of (1) flight operations and (2) maintenance and engineering. GAO estimates that for 68 percent of the findings, the documentation was insufficient to demonstrate that the findings were closed or were resolved. Airlines are beginning to adopt a new safety audit program that requires the documentation of findings and corrective actions.

Aircraft Safety Inspection

Source: FAA.

_____**United States Government Accountability Office**