

VOLUME 17 SAFETY MANAGEMENT SYSTEM

CHAPTER 2 SMS IMPLEMENTATION FOR 14 CFR PARTS 121 AND 135 CERTIFICATE HOLDERS AND 14 CFR § 91.147 LOA HOLDERS

Section 1 Implementation

Source Basis:

- **Title 14 CFR § 5.7, Requirements for Domestic, Flag, and Supplemental Operations.**
- **Title 14 CFR § 5.9, Requirements for Commuter and On-Demand Operations or Passenger-Carrying Flights for Compensation or Hire.**

17-2-1-1 GENERAL.

A. Purpose. This section provides guidance on Safety Management System (SMS) implementation for Title 14 of the Code of Federal Regulations (14 CFR) parts 121 and 135 certificate holders (CH) and 14 CFR § 91.147 commercial air tour operators with a Letter of Authorization (LOA).

B. Applicability. Title 14 CFR part 5 is applicable to 14 CFR parts 121 and 135 CHs and 14 CFR § 91.147 LOA holders. Other aviation organizations desiring Federal Aviation Administration (FAA) SMS acknowledgment are encouraged to implement an SMS through the SMS Voluntary Program (SMSVP) using the guidance outlined in Volume 17, Chapter 3.

C. Regulatory Compliance.

1) An SMS is not meant to be a separate system built alongside or on top of other business systems. An effective SMS is integrated into an existing business structure that supports the daily operations of the CH. A properly integrated SMS improves an organization's ability to leverage data to make informed decisions and reduces failures associated with implementing new or revised operational processes.

2) FAA employees must understand that SMS processes cannot be leveraged by an organization, in any way, as a substitute for compliance with other applicable regulatory requirements. This prohibition on leveraging an SMS would include substituting an organization's risk acceptance decisions for compliance, thwarting the FAA exemption and deviation processes, and/or delaying regulatory compliance actions by the organization. Therefore, it is not the intent or purpose of an SMS to circumvent regulatory compliance; rather, it is a management support mechanism to enhance an organization's ability to maintain compliance with applicable regulations and manage its inherent operational risks.

NOTE: It is crucial to emphasize that SMS processes cannot be used by aviation organizations to evade or delay regulatory obligations. The primary purpose of an SMS is to bolster an organization's ability to uphold compliance with applicable regulations and effectively manage operational risks.

17-2-1-3 DECLARATION OF COMPLIANCE. A declaration of compliance is a legal document submitted to the FAA that declares the aviation organization has developed and

implemented an SMS that meets 14 CFR part 5 requirements. To be acceptable under 14 CFR § 5.9(a)(2), the declaration of compliance must contain:

- The name of the aviation organization and its certificate number (if applicable),
- The physical address of the aviation organization,
- A statement that the aviation organization has developed and implemented an SMS that meets the requirements of 14 CFR part 5, and
- A signature from the accountable executive or another senior member of management.

17-2-1-5 INITIAL CERTIFICATION OR AUTHORIZATION. Applicants seeking air carrier certification under 14 CFR part 121 or 135 or commercial air tour operations with an LOA under 14 CFR § 91.147 will continue to follow the application and certification process using the guidance outlined in Volumes 2, 3, and 10.

NOTE: Applicants pursuing a 14 CFR part 121 air carrier certification must develop and implement an SMS that meets the 14 CFR part 5 requirements as a part of certification.

17-2-1-7 EXISTING 14 CFR PART 121 CHs. The principal inspector (PI) must input the accountable executive's name in the Safety Assurance System (SAS) Vitals tab. In the AuthDoc Data Panel, select Personnel, click Add, choose Accountable Executive (SMS) from the FAA Recognized Position Title drop-down, and enter the name. There is no requirement to add the accountable executive to the operations specifications (OpSpecs).

17-2-1-9 TITLE 14 CFR PART 135 INITIAL CERTIFICATION. Applicants pursuing 14 CFR part 135 certification must develop and implement an SMS that meets 14 CFR part 5 requirements as a part of certification per 14 CFR § 5.1. SAS Element Design (ED) Data Collection Tool (DCT) 1.5 Safety Management questions reflect the design of the safety management processes.

NOTE: For 14 CFR part 135 Single Pilot or Sole Individual (Peer Group D), SMS design and performance questions for initial certification are located in the SAS Resource Guide (SRG), under the Initial Certification section.

A. Initial Certification Status. When a certification project is in the initial certification status, and the applicant or certification project manager (CPM) checks the Vitals tab for SMS Declaration of Compliance/Initial Certification, the following ED DCTs will be available to populate when the applicant generates or is regenerating the DCTs:

- 1.5.1 Safety Policy.
- 1.5.2 Safety Risk Management.
- 1.5.3 Safety Assurance.
- 1.5.4 Safety Promotion.

B. Precertification Status. When the certification project is in precertification status, and the CPM checks the Vitals tab for SMS Declaration of Compliance/Initial Certification, the

following ED DCTs will be available to populate when the CPM generates or regenerates the Comprehensive Assessment Plan (CAP). Element Performance (EP) DCTs for the performance phase (including the following four elements) will also be available.

- 1.5.1 Safety Policy.
- 1.5.2 Safety Risk Management.
- 1.5.3 Safety Assurance.
- 1.5.4 Safety Promotion.

C. Accountable Executive Input. The applicant or CPM must input the accountable executive's name in the SAS Vitals tab. In the AuthDoc Data Panel, select Personnel, click Add, choose Accountable Executive (SMS) from the FAA Recognized Position Title drop-down, and enter the name. There is no requirement to add the accountable executive to the OpSpecs.

17-2-1-11 EXISTING 14 CFR PART 135 CHs.

A. Implementation. Existing CHs must develop and implement an SMS that meets the requirements of 14 CFR part 5 by May 28, 2027, per 14 CFR § 5.9(a)(1). Once the CH has developed and implemented an SMS that meets 14 CFR part 5 requirements, they will submit a declaration of compliance in a form and manner acceptable to their responsible Flight Standards office. A declaration of compliance is a legal document that states the CH has developed and implemented an SMS that meets the 14 CFR part 5 requirements.

NOTE: For aviation organizations with an existing SMSVP acknowledgment letter, this acknowledgment will remain valid until May 28, 2027, or until the aviation organization revises its SMS and submits a declaration of compliance (whichever comes first).

B. SAS Automation.

1) Once the declaration of compliance has been received, the Certificate Management Team (CMT) will create a configuration data change request in SAS Configuration [Module 1] using the following standard method:

a) The PI shall check the SMS - Declaration of Compliance/Initial Certification box in the Vitals tab when proposing the change.

b) If the operations are conducted by a sole individual, as defined by 14 CFR part 5, the PI will check the SMS - Sole Individual box.

c) The PI must input the accountable executive's name in the SAS Vitals tab. In the AuthDoc Data Panel, select Personnel, click Add, choose Accountable Executive (SMS) from the FAA Recognized Position Title drop-down, and enter the name. There is no requirement to add the accountable executive to the OpSpecs.

d) If a 14 CFR part 135 CH, who was previously in the SMSVP, submits a declaration of compliance, the PI will need to uncheck the SMSVP box in the Vitals tab when proposing the change.

- 2) The PI will approve/accept the configuration change.

NOTE: When a configuration change request has been made, and if Safety Risk Management (SRM) is required, the PI may want to review and document the performance of the SRM. This can be documented in the Determine Action tab by adding a Performance Assessment and using the SRM question.

17-2-1-13 TITLE 14 CFR § 91.147 COMMERCIAL AIR TOUR OPERATOR WITH AN LOA APPLICANT. New entrants applying for operating authority as a commercial air tour operator under 14 CFR § 91.147 must develop and implement an SMS that meets the 14 CFR part 5 requirements per 14 CFR § 5.9(b). The PI/aviation safety inspector (ASI) will verify 14 CFR part 5 compliance during the application process. Additionally, applicants must:

- Meet the requirements of 14 CFR § 91.147(b),
- Ensure their application meets the requirements of 14 CFR § 91.147(c).
- Identify the accountable executive in accordance with 14 CFR § 5.25(a), and
- Submit a request for an LOA to the responsible Flight Standards office in accordance with 14 CFR § 91.147(b)(4).

A. SAS Automation. The application process will be accomplished using the guidance outlined in Volume 3. Once the LOA process is completed, the ASI will create a change on the Non-Certificated screen of SAS Configuration [Module 1] as follows:

- 1) The ASI will select the applicable aviation organization from the Select Non-Certificated tab. This action will navigate to the Details tab. At the bottom of the screen, click the Edit button, and then check the SMS - Declaration of Compliance/LOA Authorization box in the Details tab under the General Information section.

- 2) If the operations are conducted by a sole individual, the ASI will check the SMS - Sole Individual box.

- 3) The PI/ASI must input the accountable executive's name in the Comments field of the Details tab (e.g., Accountable Executive: John Smith).

- 4) Click the Save button.

NOTE: For a 14 CFR § 91.147 commercial air tour operator with an LOA applicant, SMS design and performance questions for initial certification are located in the SRG, under the Initial Certification section.

B. Surveillance Plan. The responsible Flight Standards office will develop the surveillance plan based on FAA Order 1800.56, National Flight Standards Work Program Guidelines (NPG).

17-2-1-15 EXISTING 14 CFR § 91.147 COMMERCIAL AIR TOUR OPERATORS WITH AN LOA.

A. Implementation. Existing aviation organizations operating as commercial air tour operators under 14 CFR § 91.147 with an LOA must develop and implement an SMS that meets the requirements of 14 CFR part 5 by May 28, 2027, per 14 CFR § 5.9(a)(1). Once the aviation organization has developed and implemented an SMS that meets 14 CFR part 5 requirements, it will submit a declaration of compliance in a form and manner acceptable to its responsible Flight Standards office. A declaration of compliance is a legal document that states the aviation organization has developed and implemented an SMS that meets the 14 CFR part 5 requirements.

B. SAS Automation. Once the declaration of compliance has been received, an ASI assigned to the LOA holder will then create a change on the Non-Certificated screen of SAS Configuration [Module 1] as follows:

1) The ASI will select the applicable aviation organization from the Select Non-Certificated tab. This action will navigate to the Details tab. At the bottom of the screen, click the Edit button, and then check the SMS - Declaration of Compliance/LOA Authorization box in the Details tab under the General Information section.

2) If the operations are conducted by a sole individual, the ASI will check the SMS - Sole Individual box.

3) The PI/ASI must input the accountable executive's name in the Comments field of the Details tab (e.g., Accountable Executive: John Smith).

4) Click the Save button.

NOTE: The PI may want to review and document the performance of the SRM. This can be documented in an Activity Recording (AR).

17-2-1-17 SMS DECLARATION OF COMPLIANCE ACKNOWLEDGMENT. The FAA will acknowledge the aviation organization has submitted a declaration of compliance by updating the aviation organization's Vitals tab or the Non-Certificated screen in SAS, whichever is applicable, in accordance with this section. Validation of SMS performance will occur as part of routine surveillance activities. Upon receipt of the declaration of compliance, the PI/ASI will acknowledge receipt of the declaration of compliance by utilizing their office procedure for submissions. The declaration of compliance is considered a permanent record and will be filed in accordance with the responsible Flight Standards office and national policy requirements.

NOTE: The acknowledgment of the declaration of compliance does not constitute FAA approval or acceptance of the organization's SMS.

NOTE: There is no requirement for an SMS manual or documentation to be submitted with the declaration of compliance. If a manual or document that contains SMS processes and procedures is submitted, the PI/ASI is not required to

initially evaluate the design. The evaluation will occur during Continued Operational Safety (COS).

NOTE: Approval or acceptance of any manual that contains SMS documentation does not constitute FAA approval or acceptance of the organization's SMS.

17-2-1-19 through 17-2-1-33 RESERVED.