

Thank you for this opportunity to discuss, the state of our aviation industry and how we must partner together to make it safer and more efficient in these very difficult economic times.

Raymond Benjamin, Secretary General, ICAO spoke at the FAA's Sixth Annual Int'l Safety Forum last September, and he open with the following remarks:

We certainly live in a volatile world. The first decade of this 21st century... started with the worst terrorist attack... involving civil aviation as both a target and a weapon. It is ending with arguably the worst economic crisis since the great depression of the 1930s. And we are more aware than ever before of the enormous economic, political and social consequences of climate change.

As IATA's Director General, Giovanni Bisignani, puts it - "Our industry is in survival mode... We must use this crisis as an opportunity for governments, partners and airlines to build a stronger industry."

It is time for regulators and industry to align their respective responsibilities and obligations towards ensuring a safe and increasingly efficient operating environment... To bridge the gap between the regulator and the regulated, for the common good of society.

I open with these remarks, because they were so appropriate for this forum's discussion. In the past years, all of us, industry and regulators have held ourselves to the highest safety standards of all time. Accident rates have declined in most regions and we have all reaped benefited from improved aircraft engineering and new technologies. We are still challenged with human factors that are causal to aviation accident. The Latin American Region reflects that statistic and the accident rate appears to be on the rise. The

examples given in Mr. DUERI's Presentation show the main causes of accidents are human factor types events, Loss of Controlled Flight, Gear up landings, runway excursions and undershoots etc.

But today's environment offers us new challenges. Safety is expensive. Safety cost money in to form of training, maintenance and modern equipment. But is Safety really our number one priority in this difficult time? Some times it seems "Efficiencies" are more of a priority in order to survive in an industry that has never been challenged as it is today.

In my previous position as the Flight Standards Division Manager for Southern Region, I had the responsibility for Delta Air Lines. They had survived 911, bankruptcy and the declining economy. But the forced financial reorganization from the Bankruptcy Court and the stock holders, did not gain them enough leverage to remain competitive in this global market. Their only means to survive was to engage in a merger with yet another airline that was in similar state. This is a sign of the times, where partners come from places we would never have envisioned.

For example: The latest merger on the horizon, TACA from San Salvador will merge Avianca from Columbia. TACA operates three other airlines which the parent company owns.

TACA operates as one seamless airline using interchange agreements and wet-leasing arrangements and Common Branding.

This means TACA will have four Aircarrier Operating Certificates issued by four different Civil Aviation authorities and under four different regulations. Will safety be compromised by the pilots and mechanics that operate and work on these three or four differently certificated airlines? Could this become task saturation

for them to maintain three or four different sets of standards as they fly or work on the three or four different “TACA” aircraft.

Aviation Safety Oversight is a challenge for regulators in the environment... In addition to airline partnerships that cross sovereign country boundaries, there is also a serious shortage of resources aviation human resources. There is a world-wide shortage of pilots and mechanics. In the ICAO symposium of the next generation of aviation professionals work groups are already in the process of preparing a paper for review by the member states.

This region’s recruitment pool is probably the most limited. The CAAs try to hire and retain qualified inspectors to provide critical aviation oversight and assist the airline industry in their day-to-day operations.

But many CAAs can not afford to retain the resources needed to meet the ICAO standards. Over the past nine years, 14 countries in this region gained compliance with ICAO standards and obtained a Category One status from the FAA’s IASA program.

One of the ways this region has coped with the challenges of finding and retaining these high demand resources has been through their neighbors. Finding qualified inspector resources is very difficult today and will be more difficult in the future.

I have worked in this region for over ten years. I have never been so impressed by the willingness of sovereign countries to reach out to one another and solve these difficult issues through the development of regional mechanisms.

There are two regional mechanisms that are reaching out to their neighbors and sharing these valuable resources. The regional mechanism in the Caribbean - Caribbean Aviation Safety and

Security Oversight System -CASSOS and Agency on Aeronautical Safety for Central America.-ACSA.

The efficiencies that they gain from not having redundant staff are astronomical! Let me give you an example:

- ACSA, in Central America, recently assisted in the certification of the EMB-190 when TACA wanted to add this new aircraft to their fleet.
- ACSA was able to assist the TACA companies with providing a type rated inspector, the training, and assistance in the certification process with the airlines. This provided a standardized methodology and standardized set of regulations and certifications standards across two to three different countries.
- At the end of the day, there was a common process, using common guidance and common procedures.

This is a simplistic example, but it one that needs to be considered and expanded in this region. A common set of regulations and standards will add to the efficiencies the airlines need to remain competitive in these challenging times.

I would like to close with this thought or premise. Safety will always be paramount to our industry- both to the regulator and the regulated. But Safety is very expensive. Therefore, we must create efficiencies that generate cost savings... so the expensive safety initiatives can remain all of our priority.

Thank you and I look forward to the discussion to follow.....