

SUPPORTING STATEMENT

OMB -2120-0763

Safety Management Systems for Part 121 Certificate Holders

Summary of Changes

This information request renewal has changes from the original request including: the current number of certificate holders (68 in 2021 as compared to 90 in 2015); successful completion by March 9, 2018, all existing part 121 certificate holders to have an SMS; new burden analysis reflecting SMS implementation; and revised projection of number of new part 121 applicants required to submit an SMS implementation plan as part of the initial certification process.

Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection.

The circumstances for the original information request and subsequent renewal is the *Aviation Safety and Federal Aviation Administration Extension Act of 2010* (the Act), Public Law 111-216, § 215 (enacted on August 1, 2010). The Act required the FAA to initiate rulemaking for all part 121 air carriers to implement a Safety Management System. On January 9, 2015 *Safety Management Systems for Domestic, Flag, and Supplemental Operations Certificate Holder* (14 CFR parts 5 and 119) final rule was enacted. On March 9, 2018, all 72 part 121 certificates met the final compliance date for completing a Safety Management System acceptable to the FAA Administrator.

A Safety Management System (SMS) provides air carriers with a comprehensive process for managing safety risks and integrating safety activities into normal, day-to-day operations. SMS stresses not only compliance with technical standards but increased emphasis on the overall safety performance of the organization.

The 2010 Act has 16 provisions (including SMS) to improve airline safety and pilot training. These included annual, random, onsite inspections of regional air carriers, a report on Voluntary Safety Programs, modifying the requirements for an Airline Transport Pilot (ATP) certificate, a new Pilot Records Database (PRD), and updating flight and duty time regulations for part 121 air carriers. Congress intended the Act and its provisions to be long term safety improvements and require various reports and updates. Regarding the SMS requirement, FAA requires the ability to measure continued operational safety beyond the then 72 air carriers meeting the 2018 deadline for SMS implementation.

In 2018, the FAA prepared 60-Day and 30-Day Federal Register notices requesting comments on our intention to renew an information collection. Neither notice received any comments. Following these notices, the FAA realized that industry changes and analyzing post-implementation recordkeeping required changes to the information collection. These revisions took longer than expected to complete and a new notice was recommended. In December 2020, an additional 30-Day Federal Register Notice was published. One non-relevant comment was received.

Safety Management System

Fourteen Code of Federal Regulations (CFR) part 5 and 119 requires each air carrier operating under 14 CFR part 121 to develop a Safety Management System (SMS) to improve its aviation-related activities. SMS is a comprehensive process-oriented approach to managing safety throughout an organization¹. An SMS includes four components, Safety Policy, Safety Risk Management, Safety Assurance, and Safety Promotion. As properly structured, the SMS includes an organization-wide safety policy (“Safety Policy”); formal methods for identifying hazards (“Safety Risk Management”); controlling and continually assessing risk and safety performance (“Safety Assurance”), and promotion of a safety culture (“Safety Promotion”). SMS improves aviation safety by emphasis on technical standards, safety culture, and overall safety performance.

From March 9, 2018, current part 121 certificate holders were required to have an SMS. Future part 121 certificate holders must develop an SMS as part of the FAA initial certification process. Many current and future part 121 certificate holders have existing programs (e.g., Aviation Safety Action Program (ASAP) and Internal Evaluation Program (IEP)) complementing required SMS components. The FAA strongly encourages using existing programs for SMS development. However, future participation in ASAP has been generally stable and, therefore, significant changes in overall burden in the near term is not expected.

Implementation Plan

The certificate holder is required to submit an SMS implementation plan for FAA approval. The certificate holder’s submitted implementation plan may include any of its existing programs, policies, or procedures it intends to use to meet SMS requirements. For example, the certificate holder may decide to include a gap analysis (comparing existing resources with those needed) in developing the “final” SMS).

¹ Air Carrier and Certificate Holder are both used to describe a commercial operator operating under an FAA issued 14 CFR part 121 certificate.

An SMS accepted by the FAA must include the four SMS components (Safety Policy, Safety Risk Management, Safety Assurance, and Safety Promotion); demonstrate its functioning within the certificate holder's aviation operations, and compliance with part 5 requirements. The implementation plan will guide certificate holder's SMS development. Using the certificate holder's implementation plan, the FAA will create a Validation Project Plan (VPP) to allocate personnel and resources to oversee certificate holder's SMS development and implementation.

SMS Documentation

The certificate holder collects and analyzes safety data and maintains training and communications records for its SMS. Data and records are essential for an SMS. All 68 current certificate holders are required to maintain records of SMS outputs, training records, and communications materials used to promote safety. A certificate holder may create a gap analysis to identify what already exists within the organization and what needs to be created to complete the SMS implementation plan. Costs for SMS documentation comes from both the necessary time to research and document the safety policy, processes, and procedures, as well as the actual documentation.

The certificate holder does not submit its data, records, and documentation to the FAA, but uses them in operation of its SMS. As with other FAA regulations, the certificate holder must allow inspection of relevant records by authorized FAA personnel.

New applicants for part 121 operating certificates must develop an SMS as part of the initial certification process. Because of the complexity involved, a new part 121 certificate applicant will develop its SMS through a phased approach. The initial phase includes development of an implementation plan. The certificate holder prepares the implementation plan assigning responsible personnel, identifying development milestones, and referencing new or existing documents (e.g., manuals) ensuring compliance with applicable requirements. Ultimately, the SMS inputs are tested for design and performance as part of the approval process.

The certificate holder's implementation plan is submitted for FAA approval. The implementation plan is the only document the new certificate holder applicant submits for part 5 compliance (though other records or data may be submitted or requested). Once the implementation plan is functioning, the new certificate holder will then be included among current certificate holders required to maintain records for an SMS.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

Fourteen CFR part 5 requires certificate holders authorized to conduct operations under part 121 to develop and implement a Safety Management System (SMS) for all of their aviation safety-related activities. The certificate holder will use the data it collects to identify hazards and instances on non-compliance with requirements and standards. With the exception of a onetime submission of an implementation plan, the data is not submitted to the FAA. The Safety Policy, Safety Risk Management, and Safety Assurance processes, and training and communications records kept under Safety Promotion will be kept by the certificate holder and used in its SMS.

Information received from the first collection was used to determine compliance with FAA's SMS regulation, inclusion of the mandatory SMS components, comprehend the burden on part 121 air carriers, and better agency understanding of that aviation community. Information from this proposed collection will also determine ongoing compliance with FAA SMS regulation, post-implementation, as well as comprehend the burden on part 121 air carriers and better agency understanding of that aviation community.

The FAA requires part 121 certificate holders to implement an SMS. Certificate holders implement an SMS by collecting and maintaining their own records including: an organization-wide safety policy, formal methods for identifying hazards, controlling and continuingly assessing risk and safety performance, and promotion of a safety culture.

The part 121 certificate holder is required to collect and maintain records that support the four SMS components Safety Policy, Safety Risk Management, Safety Assurance, and Safety Promotion. While there is not an FAA reporting requirement, per se, the certificate holder must be able to document its data collection, recordkeeping, and processes supporting the four SMS components.

The certificate holder's implementation plan is submitted once to FAA for approval. As needed, other information may be requested or submitted as part of ongoing SMS evaluation.

The certificate holder must collect, maintain, and analyze safety data, training and communications as part of its SMS that for

- Safety Policy establishes an organization-wide safety policy including a safety policy statement by the "Accountable Executive" (single person with final authority over operations);
- Safety Risk Management implements formal methods for identifying hazards;
- Safety Assurance controls and continuingly assesses risk and safety performance.

The certificate holder maintains its documents and records and the FAA does not specify how or in what media they must do so.

This information request renewal has changes from the original request including: the current number of certificate holders (68 in 2021 as compared to 90 in 2015); successful completion by March 9, 2018, all existing part 121 certificate holders to have an SMS; new burden analysis reflecting SMS implementation; and revised projection of number of new part 121 applicants required to submit an SMS implementation plan as part of the initial certification process.

A. Safety Policy

The certificate holder must have a safety policy that includes at least the following: safety objectives, a commitment to fulfill those safety objectives, a clear statement about providing the necessary resources for SMS implementation, a safety reporting policy that defines requirements for employee reporting of safety hazards or issues, a policy that defines unacceptable behavior and conditions for disciplinary action, and an emergency response plan providing for the safe transition from normal to emergency operations.

B. SMS processes and procedures

This rule requires air carriers to record output from their Safety Risk Management (SRM) and Safety Assurance (SA) processes, safety communications, and SMS training. SRM will identify hazards and assess the control of associated risks. Using SA, certificate holders will acquire data with respect to its operations, products, and services to monitor safety performance. Certificate holders must develop and maintain means for communicating safety information and provide training to all necessary personnel. All of these records are contingent on a certificate holder's aviation operations.

C. SMS records

The FAA does not specify how, or in what media, documents and records are maintained relative to the rule requirements. However, we encourage certificates holders to use existing tools to minimize the burden for both staffing and safety programs. For example, the Director of Safety or Continued Analysis and Surveillance (CASS) or Quality Assurance program manager may be assigned SMS related tasks. Voluntary programs and software such as an Aviation Safety Action Program (ASAP) or Web-Based Application Tool (WBAT) can be integrated into an air carrier's SMS to help reduce implementation and compliance costs.

Based on this information, the FAA asserts that only one additional employee will be required for carriers with several existing safety programs; one and two full time

employees for large and medium carriers respectively with few pre-existing programs; and a part-time employee for small carriers.

The FAA also asserts that there will be minimal additional material costs and training records since all part 121 certificate holders already maintain training records. Operating costs start after SMS development, documentation, and implementation.

As collection and analysis of safety data and maintenance of training and communications records is an essential part of an SMS, it is mandatory that the certificate holder maintain safety data and relevant records. The certificate holder will use its collected data to identify hazards and instances of non-compliance with procedures and requirements including 14 CFR part 5. The safety outputs, training and communications records are kept by the certificate holder and used in its SMS.

Information collection is ongoing for as long as the SMS is in place. The certificate holder determines its own recordkeeping and none of the certificate holder's collected data, records or documentation is submitted to the FAA.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

The only information submitted for FAA approval is the certificate holder's SMS implementation plan (though other information and data may be exchanged as part of the approval process or to clarify the submission). The FAA does not specify how or in what media documents and records are maintained allowing certificate holder to use whatever existing systems and media it deems appropriate. The FAA, in accordance with the Government Paperwork Elimination Act (GPEA), will not only allow and accept, but also encourage the use of automation and electronic media for the gathering, storage, presentation, review, and transmission of all requests, records, reports, tests, or statements required by this rule.

One hundred percent of certificate holder's submissions, reviews, and communications can be electronically transmitted to FAA. Any such transmissions must have adequate security provisions. Submitted SMS implementation plans must be compatible with FAA systems and applications. Implementation plans may not be altered after FAA review and approval. The information is not public though it could be subpoenaed or subject to discovery. The FAA Chief Counsel's Office has issued a legal interpretation that certain SMS records used in developing or implementing an SMS is protected by 49 USC §44735. The FAA is determining whether 14 CFR part 193 (protection of voluntarily submitted information) also applies to SMS and will issue guidance at a future date. As a policy matter, FAA believes protected information encourages honest and accurate reporting of safety issues.

Certificate holders have initial free access to the FAA’s Web-Based Application Tool (WBAT) to assist with rule related data management and collection. WBAT is a federally developed and funded software system originally created to support data collection and information technology for FAA voluntary safety programs. WBAT can assist certificate holders with a significant portion of their part 5 compliance requirements. Additional WBAT support is fee based determined by the size of the certificate holder. Certificate holders may also elect to use their own existing or commercially available third party data collection and management services. WBAT, existing, or commercial options allow the certificate holder to determine its best way to reduce costs.

One hundred percent of the rule is available electronically and includes hyperlinking table of content entries directly to the appropriate rule section and associated preamble language.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purpose(s) described in 2 above.

While the implementation plan is the only required submission for FAA approval, other information may be made available to clarify SMS development and demonstrate compliance. Such submissions could be a gap analysis, a manual, or informational materials. The certificate holder must also maintain safety data and relevant records used in its SMS and identify hazards and instances of noncompliance.

The FAA has reviewed other public-use reports and finds no duplication. No other agency collects this information nor is similar information available from any other sources. The SMS implementation plan, as well as information required to be collected and maintained by the certificate holder (and is not submitted to the FAA) is particular to each part 121 certificate holder. This information is not available from any other source, and is to be only used by the certificate holder in its SMS.

The FAA does not specify how, or in what media, documents, and records must be maintained, but encourages certificates holders to use existing mechanisms and systems to minimize their burden. For example, the FAA encourages certificate holders to maintain SMS required training records the same way other required training records are kept.

5. If the collection of information involves small businesses or other small entities, describe the methods used to minimize burden.

The FAA conducted a Regulatory Flexibility Determination to determine the objective of the rule is commensurate to the scale of the businesses (making the rule “scalable and flexible”). FAA uses a methodology that classifies air carriers (certificate holders) into small, medium, and large based on fleet size as an index of operational capability. The

classifications allow SMS development appropriate to operational size and avoids additional burden if the SMS requirement was a “one size fits all”. FAA Flight Standards Service inspectors work with certificate holders on a case-by-case basis to ensure compliance with required standards and information collection is not unduly burdensome.

The FAA held discussions with the Small Business Administration (SBA) to address its concerns and those of its stakeholders. In response to the comments filed by the SBA Chief Counsel for Advocacy, the FAA maintained the rule requirements are flexible and there are several existing programs that small businesses can leverage to make SMS less expensive. In addition, procedures are in place for a certification holder to request an exemption from a reporting or recordkeeping requirement that is financially burdensome or operationally difficult.

While the implementation plan is the only required submission to FAA, the certificate holder must also maintain safety data and relevant records used in development of its SMS and used to identify hazards and instances of noncompliance. It is important to note that the scale and complexity of the implementation plan would be consistent with the scale and complexity of the operation. Therefore, the impact on small business is minimized. The FAA does not specify how, or in what media, documents and records are maintained, but encourages certificate holders to use existing mechanisms and systems to minimize the burden.

Further easing the burden, certificate holders have initial free access to the FAA’s Web-Based Application Tool (WBAT) in assisting in the data collection and management aspects of the rule. WBAT is a federally developed and funded software system that could assist certificate holders with data management and information technology needed to comply with 14 CFR part 5.

Specifically, WBAT has modules that support the data management needs of Safety Risk Management and Safety Assurance functions (e.g., employee reporting, audits, investigations, and evaluations). WBAT also contains an SMS Implementation Plan Manager module that guides certificate holders through a gap analysis and implementation planning process. Work products are documented and stored in WBAT.

While WBAT data is proprietary, a certificate holder can grant access to FAA Certificate Management Team (CMT) members. FAA access allowing online review of draft plans and provide feedback can expedite the review and approval process. While the FAA does not require certificate holders to use WBAT, it is an available option for reducing costs of developing and implementing a separate platform. Finally, FAA has prepared advisory materials intended to be informative and explanatory on requirements and alternative means of compliance.

6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

Collection and analysis of safety data and maintenance of training and communications records is an essential part of an SMS. The certificate holder is required to maintain records of the safety outputs, processes, training and communications used in its SMS. The certificate holder in operation of its SMS will use the above referenced data, records, and documentation. Without collected data, records, and documentation, the certificate holder's SMS will be incomplete. An incomplete SMS will not allow a certificate holder to identify hazards and instances of non-compliance. Unable to identify hazards and instances of non-compliance violations, qualified personnel cannot be assigned to design and implement mitigations. Operations are less safe without an SMS.

7. Explain any special circumstances that would cause an information collection not be conducted in a manner:

- **requiring respondents to report information to the agency more often than quarterly;**
There are no special circumstances requiring respondents to report information to the agency more often than quarterly.
- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
There are no special circumstances requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt.
- **requiring respondents to submit more than an original and two copies of any document; requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years;**
There are no special circumstances requiring collection of information be submitted in more than an original and two copies of any document.

Outputs of Safety Risk Management processes must be retained for as long as the resultant safety risk control remains relevant to the operation. This is necessary because safety risk controls are used to control or mitigate safety risk. Without the record, analysis of a safety issue and the reason for a risk control could be lost or forgotten and the risk control itself could be eliminated without knowledge of the consequences.

Records of SMS-required training that is administered to the Accountable Executive and the certificate holder's management must be retained for as long as the certificate holder employs the individuals who received the training. This is to ensure that SMS-required training is provided to all individuals who must receive it to perform their duties.

Outputs of safety assurance processes must be retained for a minimum of 5 years. This is necessary because these outputs provide baseline history allowing the certificate holder to assess the impact of operational changes on its safety performance.

- **in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;**

There are no special circumstances that would cause an information collection to be conducted in connection with a statistical survey.

- **requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**

There are no special circumstances that would cause an information collection to be conducted in a manner requiring the use of a statistical data classification not reviewed and approved by OMB.

- **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use;**

There are no special circumstances that would cause an information collection to be conducted in a manner that includes a pledge of confidentiality that is not supported by authority established in statute or regulation.

- **requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

The submission of an SMS implementation plan does not require respondents to submit proprietary trade secrets or other confidential information.

The initial information used data submitted during a notice of proposed rulemaking (NPRM) published on November 5, 2010 (75 FR 214), allowing for public comments. The Modification and Replacement Parts Association (MARPA) was the only commenter that specifically addressed the Paperwork Reduction Act. MARPA provided a table of proposed information collection requirements with estimates for annual burden (in hours) to meet the requirements both for the initial year and out years. The FAA used these estimates as one of the data sources for its cost analyses

On January 8, 2015 (80 FR 1308), a final rule was published addressing the 69 comments received from air carriers, aircraft designers and manufacturers, trade associations, emergency medical transport services, safety organizations, universities, and private citizens.

A 60-Day Federal Register Notice and request for comments was published on June 20, 2018 (83 FR 28758) and a 30-Day Federal Register Notice and request for comments was published on September 17, 2018 (83 FR 46990). The FAA did not receive any comments on either notice.

Since the 60-Day and 30-Day Federal Register notices, there have been changes to the original request and an additional 60-Day Federal Register Notice was published on December 9, 2020 (85 FR 79256). The Notice updated the number of part 121 certificate holders at 68 as compared to 90 in 2015. The Notice gave notice that all 68 part 121 certificate holders had implemented a Safety Management System by the March 9, 2018 part 5 deadline. The burden analysis has been revised reflecting part 121 implementation, revised industry number, and an analysis of post-implementation recordkeeping. One comment was received in the docket from the Steve Menzies Global Foundation, requesting an exemption allowing it to conduct a humanitarian flight to Venezuela under part 91. The request was mistakenly submitted to the SMS Rulemaking docket. (The request was discovered and the FAA granted the exemption.)

8. Provide information on the PRA Federal Register Notice that solicited public comments on the information collection prior to this submission. Summarize the public comments received in response to that notice and describe the actions taken by the agency in response to those comments. Describe the efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to recorded, disclosed, or reported.

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9. Explain any decision to provide any payment of gift to respondents, other than remuneration of contractors or grantees.

There are no payments or gifts provided to respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

There is no assurance of confidentiality provided to respondents.

11. Provide additional justification for any questions of a sensitive nature such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.

There are no questions of a sensitive nature.

12. Provide estimates of the hour burden for the collection of information. The statement should:

- **Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices. If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burden.**
- **Provide estimates of annualized cost to respondents for the hour burdens for collection of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included under item 13.**

The estimated burden is calculated from hours needed to develop an SMS implementation plan (and complete related tasks). Implementation plan development

consists of several separate tasks including an optional gap analysis (comparing existing resources with those needed) maintenance of documents describing the certificate holder’s Safety Policy and generating data, processes and procedures supporting Safety Risk Management (SRM) and Safety Assurance (SA). The FAA also documents the burden for recording Safety Risk Management and Safety Assurance outputs and recordkeeping of training records and SMS communications in support of Safety Promotion.

The information provided below are from estimates based on data provided by certificate holders participating in the SMS Voluntary Pilot Project, the Aviation Rulemaking Committee (ARC) Final Report, and comments submitted on the Initial Regulatory Evaluation².

The planned collection activities are broken into two categories: (1) Implementation plan collections and (2) Continuing SMS program collections. As of December 31, 2020 there are 68 part 121 certificate holders.

Air Carrier Groups	Number of Air Carriers
Large (50+ aircraft)	25
Medium (10-49 aircraft)	19
Small (<9 aircraft)	24
Number of Operators	68

Respondents:

Large Air Carrier

Summary (Annual numbers)	Reporting	Recordkeeping	Disclosure
# of Respondents		25	N/A
# of Responses per respondent		1	N/A
Time per Response		2,000	N/A
Total # of responses		25	N/A
Total burden (hours)		50,000	N/A

² Following 14 CFR part 5 publication (requiring part 121 certificate holders implement an SMS), the SMS Voluntary Pilot Project became the SMS Voluntary Program allowing non-121 certificate holders (e.g., part 135) to implement a state approved SMS allowing operations in countries with SMS requirements.

Medium Air Carrier

Summary (Annual numbers)	Reportin g	Recordkeepin g	Disclosur e
# of Respondents		19	N/A
# of Responses per respondent		1	N/A
Time per Response		4,000	N/A
Total # of responses		19	N/A
Total burden (hours)		76,000	N/A

Small Air Carrier

Summary (Annual numbers)	Reportin g	Recordkeepin g	Disclosur e
# of Respondents		24	N/A
# of Responses per respondent		1	N/A
Time per Response		1,000	N/A
Total # of responses		24	N/A
Total burden (hours)		24,000	N/A

Estimated annual collection activity for one new medium part 121 air carrier

Medium Air Carrier

Summary (Annual numbers)	GAP Analysis	Implementatio n Plan	SMS
# of Respondents		1	

# of Responses per respondent		1	
Time per Response		2,732	
Total # of responses		1	
Total burden (hours)		2,732	

Labor Costs

Estimated labor cost for implementation of SMS³

Develop Initial Implementation – Analysis Labor Cost	Year 1	3-Year Cost
Small Certificate Holder – 3,045 hours	174,387	523,161
Medium Certificate Holder – 2,732 hours	156,462	469,386
Large Certificate Holder – 4,256 hours	243,741	731,223

13. Provide an estimate of the total annual cost burden to respondents or record keepers resulting from the collection of information.

(a) Total capital and start-up components for **one new medium part 121 certificate holder** per year in the first three years of this rule. Costs include establishing an implementation plan, SMS documentation, and implementing the programs necessary for a functioning Safety Management System.

WBAT Cost	Year 1	3-Year Cost
Small Certificate Holder	\$2,965	\$8,895
Medium Certificate Holder	\$5,675	\$ 17,025
Large Certificate Holder	\$12,280	\$ 36,540

Material Costs

Estimated Cost for Implementation SMS Program (new 14 CFR part 121 air carrier)
Estimated Cost of Implementation Plan and SMS Documentation

Develop Initial Documentation	Year 1	3-Year Cost
Small Certificate Holder	\$8,000	\$24,000

³ Labor cost uses total hourly compensation of \$57.27. The estimation uses median hourly wage of \$40.09 that represents 70% of total compensation. Source: <https://www.bls.gov/oes/2018/may/oes152031.htm>

Medium Certificate Holder	\$31,667	\$95,001
Large Certificate Holder	\$112,500	\$337,500

The cost burden in implementing a SMS program would vary by the scope and complexity of the new certificate holder. The FAA estimates that the initial cost burden for a new part 121 ranges between \$142,000 and \$198,000. The initial cost burden are related to the SMS implementation plan, develop and maintain documentation that describes the operator’s safety policy, and develop and maintain documentation of SMS processes and procedures.

Although historical data suggests that a newly certificated part 121 operator would likely be grouped as “small” or “medium,” the cost estimate uses a conservative approach by averaging the three groups. Therefore, the initial cost burden is approximately \$155,000 per year and increases to \$466,000 over three years.

14. Provide estimates of annualized cost to the Federal Government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead printing, and support staff), and other expense that would not have been incurred without this collection of information.

The FAA offers carriers a federally developed and funded software system, the Web-Based Application Tool (WBAT), which costs roughly \$1.5 million per year. However, WBAT serves a variety of functions in addition to aiding carriers with their Aviation Safety Action Program (ASAPs) and SMS. WBAT also charges certificate holders (by size of operation) for use beyond initial free services. Therefore, the current \$1.5 million cost is a high estimate.

The total annual cost to the government is \$1.5 million.

15. Explain the reasons for any program changes or adjustments.

This information request renewal has changes from the original request including the current number of certificate holders (68 as of 2021 as compared to 90 in 2015); the successful completion of the SMS requirement that all existing part 121 certificate holders have an SMS by March 9, 2018; new burden analysis reflecting SMS implementation and revised projection of new part 121 applicants that as part of their certification process will have to submit an SMS implementation plan.

Certificate holders authorized to conduct operations under 14 CFR part 121 are required to develop and implement a Safety Management System (SMS) to improve the safety of their aviation related activities. At the time of 2015 rule publication, there were 90 part 121 certificate holders. By March 9, 2018, the part 5 effective date, the number of part 121 certificate holders changed from 90 in 2015 to 72 and all met the final compliance

date for completing a Safety Management System. As of December 31, 2020 there are 68 part 121 certificate holders. The FAA also anticipates one part 121 certificate holder applicant will be required to implement an SMS as part of the certification process.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

The results of this information will not be published.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

No such approval is being sought.

18. Explain each exception to the certification statement identified in Item 19. "Certification for Paperwork Reduction Act Submissions."

There are no exceptions.