



**Supporting Statement A**  
**Advisory Circular (AC) No. 120-119**  
**Voluntarily Implement a Safety Management System (SMS)**  
**OMB Control # TBD**

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

Advisory Circular (AC) No. 120-119 provides information on how entities subject to the regulatory requirements of Title 49 of the Code of Federal Regulations (CFR) parts 171-180 (e.g., entities performing functions such as, but not limited to, handling or shipping of dangerous goods by air and hereinafter referred to as “other regulated entities”) may choose to voluntarily implement a Safety Management System (SMS) as described in Title 14 CFR, part 5 –*Safety Management Systems*.

The AC addresses general SMS principles and explains certain regulatory requirements codified in 14 CFR part 5. While part 5 does not apply to voluntary SMS programs, it describes the general SMS framework and serves as a non-binding basis for the development and implementation of voluntary SMS programs. The AC provides guidance to organizations on how to use the SMS principles included in part 5 as basis to develop and implement a voluntary SMS program and how to submit such voluntary program to the FAA’s Office of Hazardous Materials Safety (AXH) for acceptance.

### **Safety Management System**

SMS is the formal, top-down, organization-wide approach to managing safety risk and assuring the effectiveness of safety risk controls. It includes systematic procedures, practices, and policies for the management of safety risk. An SMS is intended to be designed, developed, and integrated into existing operations and business decision-making processes. The SMS framework will assist an organization’s leadership, management teams, and employees in mitigating risks and making smarter data-informed safety decisions.

### **SMS Documentation**

The organization collects and analyzes safety data and maintains training and communications’ records for its SMS. Data and records are essential for an SMS. Any organization that volunteers for this process would maintain records of SMS outputs, training records, and communications materials used to promote safety. An Organization 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 organization does not submit its data, records, and documentation to the FAA, but uses them in operation of its SMS. The organization should allow inspection of relevant records by authorized FAA personnel.

**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.**

The Advisory Circular provides non-binding recommendations on how to use existing requirements as a basis to develop a voluntary SMS program. The FAA encourages organizations to develop and implement SMS into their business processes in a way that is scalable to its unique operation, as there is not a one-size-fits-all SMS.

With the exception of a one-time submission of an implementation plan, the data are 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 organization and used in its SMS. The organization will use the data it collects to identify hazards and instances on “non-compliance” with requirements and standards.

Information received from the first collection (i.e., SMS Implementation Plan) will be used to determine consistency with FAA SMS regulations, inclusion of the mandatory SMS components, comprehend the burden on organizations, and better FAA understanding of the organizations implementing an SMS.

Organizations 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.

Organizations are 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 organization must be able to document its data collection, recordkeeping, and processes supporting the four SMS components.

The organization'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 organization would 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 continually assesses risk and safety performance. The organization maintains its documents and records, and the FAA does not specify how or in what media they must do so.

### **A. Safety Policy**

If choosing to implement an SMS program, the organization must have a safety policy that includes at least the following: 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.

### **B. SMS processes and procedures**

The organization would 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, organizations will acquire data with respect to its operations, products, and services to monitor safety performance. Organizations develop and maintain means for communicating safety information and provide training to all necessary personnel.

### **C. SMS records**

The FAA does not specify how, or in what media, documents and records are maintained relative to the Advisory Circular guidance. However, we encourage organizations to use existing tools and safety programs to minimize the burden for both staffing and safety programs. For example, the Web-Based Application Tool (WBAT) can be integrated into an operators SMS to help reduce implementation and compliance costs.

Based on this information, the FAA asserts that only one additional employee for organizations with several existing safety programs; one and two fulltime employees for large and medium organizations respectively with few pre-existing safety programs; and a part-time employee for small organizations.

The FAA also asserts that there will be minimal additional material costs and training records since most organizations 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 are essential parts of an SMS, the organization should maintain safety data and relevant records. The organization will use its collected data to identify hazards and instances of non-compliance with procedures and requirements.

The safety outputs, training and communications records are kept by the organization and used in its SMS.

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

In accordance with PRA filing requirements, the following questions/answers for context are provided:

1. Whether responding to the collection is mandatory, voluntary, or required to obtain or retain a benefit.

*This is a voluntary program; however, to initiate the voluntarily process with the FAA, organizations implementing a voluntary SMS are expected to develop and submit an SMS Implementation Plan to the FAA Office of Hazardous Materials Safety.*

2. Describe the entities who must respond (e.g., class 1 railroads, operators of natural gas transmission lines, etc.).

*Again, this is a voluntary program; however, large organizations subject to requirements codified in Title 49 of the Code of Federal Regulations (CFR) parts 171-180 but not regulated through Title 14 CFR (e.g., entities performing functions such as, but not limited to, handling or shipping of dangerous goods by air) with a national or global aviation focus that wish to establish a voluntary SMS are expected to respond. Therefore, small and medium organizations are not subject to the collection.*

3. Whether the collection is reporting (indicate if a survey), recordkeeping, and/or disclosure.

*The collection entails a one-time submission to the FAA of the organization's SMS Implementation Plan. With the exception of a one-time submission of that implementation plan, the data are not submitted to the FAA. The organization maintains its own documents and records; the FAA does not specify how or in what media the organization must do so.*

4. Indicate collection frequency (e.g., bi-annual, annual, monthly, weekly, as needed).

*The organization'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.*

5. Describe the information that would be reported, maintained in records, or disclosed (e.g., information about a hazardous materials incident including location, type of hazardous material, extent of consequences, etc.).

*As alluded to above, the information is the one-time submission of the organization's SMS Implementation Plan. With that exception, the data are not submitted to the FAA. The organization maintains its own documents and records in a manner of its choosing.*

6. Describe who would receive the information – DOT, first responders, the general public, etc.

*FAA Office of Hazardous Materials Safety receives the information at 9-ASH-AXH-SMS@faa.gov.*

7. Succinctly describe the purpose of the collection.

*Information received from the collection (i.e., SMS Implementation Plan) will be used to determine consistency with FAA SMS regulations, inclusion of the mandatory SMS components, comprehend the burden on organizations, and better inform FAA's understanding of the organizations implementing an SMS.*

8. If a revision, succinctly describe the revision in the Abstract and in question 15 of the Justification document.

*This is a new collection, not a revision.*

**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 FAA does not specify how or in what media documents and records are maintained allowing organizations 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 will 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 AC.

**4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.**

While the implementation plan is the only submission the FAA receives 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 organization would 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 collected and maintained by the certificate holder (and not submitted to the FAA) is particular to each organization. This information is not available from any other source, and is to be only used by the organization in its SMS.

The FAA does not specify how, or in what media, documents, and records are maintained, but encourages organizations to use existing mechanisms and systems to minimize their burden. For example, the FAA encourages organizations to maintain

SMS training records the same way other 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 recommended actions of the AC are focused only on large organizations with a national or global aviation focus meaning there is no need to minimize the burden.

**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. If an organizations volunteers to implement SMS then it is required to maintain records of the safety outputs, processes, training and communications used in its SMS. The organization in operation of its SMS will use the above referenced data, records, and documentation. Without collected data, records, and documentation, the organization's SMS will be incomplete. An incomplete SMS will not allow an organization 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.

**7. Explain any special circumstances that would cause an information collection to 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 are 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 are 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 should 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.

**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 be recorded, disclosed, or reported.**

A Federal Register Notice published on Jun 8, 2021 (86 FR 30514), solicited public comments. No comments were received.

**9. Explain any decisions to provide payments or gifts to respondents, other than remuneration of contractors or grantees.**

No payments or gifts are provided to respondents.

**10. Describe any assurance of confidentiality provided to respondents and the basis for 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 of 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.**

Entities subject to regulatory requirements of Title 49 of the Code of Federal Regulations (CFR) parts 171-180 (e.g., entities storing, packaging, handling, shipping, or performing other functions in support of transporting dangerous goods by air) can choose to voluntarily implement a Safety Management System (SMS). Based on the limited scope of the AC. Specifically, "Large Organizations" with a national or global aviation safety focus on preparing or offering shipments of hazardous materials by air AND are not entities to which 14 CFR applies (i.e., non-certificated entities), the FAA estimates that a total of three companies will voluntarily implement an SMS.

The estimated burden is calculated from hours needed to develop an SMS implementation plan (and complete related tasks) and for recordkeeping requirements. The implementation plan development consists of several separate tasks including: creation and maintenance of documents describing the certificate holder's Safety Policy and generating data, processes and procedures supporting the Safety Risk Management (SRM) and Safety Assurance (SA). The FAA assumes that the implementation plan is a one-time burden that takes place over 3 years for organizations that chose to comply. The FAA also determined hours required for



recordkeeping to record SRM and SA outputs and maintain training records and SMS communications in support of Safety Promotion. These requirements are identical to the requirements established in part 5; therefore, the FAA uses the estimated number of responses and hourly burden from the existing part 5 PRA.<sup>1</sup>

The planned collection activities are broken into two categories: (1) One-time implementation plan collections and (2) Continuing SMS program collections.

Summary (Annual numbers)	Reporting	Recordkeeping	Disclosure
<b>Implementation Plan</b>			
# of Respondents	3		
# of Responses per respondent	1		
Time per Response	6,680		
Total # of responses	3		
Total burden (hours)	20,040		
<b>Continuing SMS program</b>			
# of Respondents		3	
# of Responses per respondent		1	
Time per Response		170	
Total # of responses		3	
Total burden (hours)		510	
<b>Summary: Total Burden</b>			
# of Respondents	3	3	
# of Responses per respondent	1	1	
Time per Response	6,680	170	
Total # of responses	3	3	
Total burden (hours)	20,040	510	

- **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.**

Estimated labor cost for Implementation of SMS are as follows.<sup>2</sup>

### **Labor Costs**

Hours X Total hourly compensation = Year 1 Labor Costs

Year 1 Costs X 3 = 3-Year Cost

<sup>1</sup> Agency Information Collection Activities; Proposals, Submissions, and Approvals: Safety Management Systems for Domestic, Flag, and Supplemental Operations Certificate Holders. Sep 17, 2018  
<https://www.regulations.gov/document?D=FAA-2009-0671-0187>

<sup>2</sup> 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: <http://www.bls.gov/oes/2018/may/oes152031.html>

<b>Develop Initial Implementation – Analysis Labor Cost</b>		<b>Year 1 Cost</b>	<b>3-Year Cost</b>
Small Company – 3,045 hours	\$57.27 total hourly compensation	174,387	523,161
Medium Company – 2,732 hours	\$57.27 total hourly compensation	156,462	469,386
Large Company – 4,256 hours	\$57.27 total hourly compensation	243,741	731,223

**13. Provide an estimate for the total annual cost burden to respondents or record keepers resulting from the collection of information. The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life) and (b) a total operation and maintenance and purchase of services component.**

Air carriers have the ability to use the federally developed and funded Web-Based Application Tool (WBAT) for a minimal initial set-up fee. This is an existing tool for which the FAA estimated the burden in the 14 CFR part 5 Paperwork Reduction Act clearance. Organizations that voluntarily implement SMS as described in AC 120-119 would also have the ability to use the WBAT. However, organizations may choose a tool as simple as a SharePoint site or shared drive to serve as a mere repository or for a mature SMS and organization may adopt to use a sophisticated system with workflow capabilities. AC 120-119 only recommends electronically submitting an implementation plan via email, so the FAA assumes that capital and start-up costs are minimal.

For example purposes, total capital and start-up components for companies using WBAT are outlined below. The estimates were based on actual numbers reported by air carriers utilizing WBAT. Costs include establishing an implementation plan, SMS documentation, and implementing the programs necessary for a functioning Safety Management System.

<b>WBAT Cost</b>	<b>Year 1</b>	<b>3-Year Total</b>
Small Company	\$2,965	\$8,895
Medium Company	\$5,675	\$17,025
Large Company	\$12,280	\$36,840

## **Material Costs**

Estimated Cost for Implementation SMS Program and Documentation

<b>Develop Initial Documentation</b>	<b>Year 1</b>	<b>3-Year Cost</b>
Small Company	\$8,000	\$24,000
Medium Company	\$31,667	\$95,001
Large Company	\$112,500	\$337,500

The cost burden in implementing a SMS program would vary by the scope and complexity of the company. The FAA estimates that the initial cost burden for a large organization between \$142,000 and \$198,000. The initial cost burden are related to the SMS implementation plan; developing and maintaining documentation that describes the operator's safety policy; and developing and maintaining documentation of SMS processes and procedures.

**14. Provide estimates of annualized costs 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 any other expense that would not have been incurred without this collection of information.**

The FAA anticipates that AC 120-119 will not impose an additional cost on the Federal Government for two reasons:

1. No additional inspectors/personnel will be hired to address administrative and operational demands of the rule.
2. All work demands will fall within the routine administrative, regulatory, and operational functions of the FAA.

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

1. This is a new collection.

**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 why display would be inappropriate.**

No such approval is being sought.

**18. Explain each exception to the topics of the certification statement identified in "Certification for Paperwork Reduction Act Submissions."**

There are no exceptions.