

Docket No. SA-530

Exhibit No. 12-H

NATIONAL TRANSPORTATION SAFETY BOARD

Washington, D.C.

FAA NOTICE 8900-16
Special Emphasis Inspection – Operational Control

(21 Pages)

NOTICE

U.S. DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION

N 8900.16

National Policy

Effective Date:
8/17/07

Cancellation Date:
8/17/08

SUBJ: Special Emphasis Inspection: Operational Control

1. Purpose of This Notice. The Federal Aviation Administration (FAA) has determined that a Special Emphasis Inspection is required to ensure continued compliance with the operational control requirements of Title 14 of the Code of Federal Regulations (14 CFR) parts 119 and 135. This notice establishes that requirement, and prescribes the scope, detail, and content of that Special Emphasis Inspection.

2. Audience. The primary audience for this notice is Flight Standards District Office (FSDO) aviation safety inspectors. The secondary audience includes Flight Standards branches and divisions in the regions and in headquarters.

3. Where You Can Find This Notice. Inspectors can access this notice through the Flight Standards Information Management System (FSIMS) at <http://fsims.avs.faa.gov>. Operators may find this information on the Federal Aviation Administration's (FAA) Web site at: http://www.faa.gov/library/manuals/examiners_inspectors/8900.

4. Background.

a. The FAA issued Notice N 8000.347, Operational Control: Revised Operations Specifications A008 and A002, on December 28, 2006. In that notice, FAA principal inspectors (PI) were required to advise assigned part 119 certificate holders that have operations specifications (OpSpecs) authorizing part 135 operations that the FAA intends to amend OpSpec A002 (Definitions) and A008 (Operational Control) as described in the notice. The notice included a target date for issuing the amended OpSpecs A002 and A008 of no later than March 15, 2007.

b. N 8000.347 required FAA PIs to notify operators who had not been issued revised OpSpec paragraphs A002 and A008 that the FAA would rescind OpSpec paragraphs A002 (pre-revision 100) and A008 (pre-revision 020) on May 31, 2007. The notice also prescribed the method of implementing the amended A002 and A008 for those certificate holders not already issued the amended OpSpecs.

c. The Flight Standards Service (AFS) conducted training seminars in each region for all principal operations inspectors (POI) and a substantial number of principal maintenance inspectors (PMI) and principal avionics inspectors (PAI). This training included operational

control concepts, the revised OpSpecs, and the evaluation of a certificate holder's operational control system. This training was completed in May 2007.

d. In order to ensure continuing compliance with the operational control requirements parts 119 and 135, the Director of AFS, AFS-1, has determined that a Special Emphasis Inspection must be performed for each certificate holder authorized to conduct operations under part 135. Certificate holders will accomplish this Special Emphasis Inspection during the fourth quarter of FY-2007 or the first quarter of FY-2008.

5. Action.

a. POIs (in coordination with the associated PMIs and PAIs) assigned certificate holders authorized to conduct operations under part 135 will accomplish the following Special Emphasis Inspection in the fourth quarter of FY-2007 or the first quarter of FY-2008 (between July 1, 2007 and December 31, 2007):

(1) During the conduct of the National Program Guidelines (NPG), the required Main Base Inspections will be tracked by the Program Tracking and Reporting Subsystem (PTRS) using activity code 1616 to evaluate the following aspects of the operator's operational control system.

(a) Certificate holder's description of its operational control procedures in the General Operations Manual (GOM).

(b) Certificate holder's policies and procedures for meeting its operational control responsibilities.

(c) Certificate holder's policies and procedures for ensuring compliance with its operational control prohibitions.

(d) Presence of the following elements of operational control in the certificate holder's operational control system:

- Crewmember requirements
- Aircraft requirements
- Exclusive aircraft use requirements
- Use of other business names
- Aircraft operation agreements and other arrangements
- Authorized management personnel and other persons authorized to exercise operational control
- Operational control information requirements

b. This inspection will be documented by the completion of the checklist provided in Appendix A.

c. The purpose of the inspection is to determine compliance with OpSpec paragraphs A002 and A008. The standards used in conducting this inspection will be outlined in the Training section of the AFS Employees web site at <http://employees.faa.gov/org/linebusiness/avs/offices/AFS/>; and the training provided in each region.

Note: For reference, the video of an operational control workshop used in the regional training may be found at https://employees.faa.gov/org/linebusiness/avs/offices/afs/seminars_workshops/operational_control/.

d. If the FY-2007 NPG Main Base Inspection has not been accomplished, this Special Emphasis Inspection should be accomplished in conjunction with that inspection. If the FY-2007 Main Base Inspection for the certificate holder has been accomplished, this Special Emphasis Inspection may be conducted in the first quarter of FY-2008. No additional Main Base Inspection is required to accomplish this Special Emphasis Inspection.

e. If discrepancies are revealed in the Special Emphasis Inspection, the following actions should be taken:

Note: Appendix B provides a simplified table of findings and actions.

(1) For minor discrepancies, on-the-spot corrections can be made by the certificate holder, or minor, immediate changes can be made to the general operations manual or other affected documents, which correct these discrepancies. Annotate the PTRS record appropriately.

(2) For discrepancies which require greater action by the certificate holder to correct, such actions shall be coordinated with the PI staff, and, if appropriate, a Letter of Correction will be issued upon an FAA finding of compliance. Annotate the PTRS record appropriately.

(3) For operational control systems found to be noncompliant and requiring significant changes to policies, procedures, GOM, etc., issue a warning letter if operations can safely be conducted while developing corrective measures (through additional management oversight and control of operations).

(a) This situation requires a high level of certificate holder commitment to ensuring that safe operations are conducted during the transition to the new system of operational control. In addition, the certificate-holding district office (CHDO) must continually be kept apprised of progress in the certificate holder's revision to its operational control system.

(b) Delays in that progress may require civil penalty action or, should continued safe operations be in jeopardy, suspension until showing compliance is appropriate, reference Title 49 of the United States Code (49 U.S.C.) section 44709.

(c) In the extreme, should the certificate holder be unable to implement appropriate operational control measures, the certificate holder's qualification is in question, and revocation

is appropriate. Such action should be coordinated with the cognizant regional office and if required, the Commuter, On Demand, and Training Center, AFS-250.

(d) Annotate the PTRS record appropriately.

(4) If the certificate holder's operational control system is found to be unacceptable and noncompliant, and continued operations under that system would not meet the safety standards of the rule, the authority of the certificate holder to conduct operations under part 135 should be suspended, pending compliance. This action may be taken in accordance with 49 U.S.C. section 44709. Such action should be coordinated with the cognizant regional office and if required, AFS-250. Annotate the PTRS record appropriately.

(5) If the Special Emphasis Inspection reveals that the certificate holder is franchising its certificate to non-certificated entities (renting its certificate), please advise AFS-250 as soon as possible at (202) 267-8166. This situation typically warrants emergency revocation action. Annotate the PTRS record appropriately.

f. The results of this Special Emphasis Inspection must be documented in the CHDO's files for the certificate holder. This documentation must include a copy of the Special Emphasis Inspection checklist and copies of any correspondence with the certificate holder concerning the Special Emphasis Inspection, and must reference any administrative or legal action taken as a result of the Special Emphasis Inspection.

6. Tracking. In addition to the NPG Base Inspection (PTRS Code 1616), POIs must follow these steps to document accomplishment of the Special Emphasis Inspection.

a. Open a PTRS entry for an In-depth Inspection (Field) using PTRS Code 1611, for each part certificate holder authorized to conduct operations under part 135.

b. Enter "N8900.16" in the "National Use" field (without the quotes).

c. Complete the Special Emphasis Inspection, annotating the record appropriately and closing the entry.

7. Disposition. We will permanently incorporate the information in this notice to FSIMS before this notice expires. Direct questions concerning this notice to AFS-250 at (202) 267-8166.

ORIGINAL SIGNED BY
James J. Ballough
Director, Flight Standards Service

Appendix A. Checklist: Operational Control Special Emphasis Inspection (To be Accomplished Concurrently with a Main Base Inspection)

Certificate Holder's Name: _____ Certificate Number: _____
Date: _____ Location(s) of Inspection: _____

Insp. Item #	A008 Element #	Look at <i>or</i> Speak with	Look for <i>or</i> Ask about	Result OK or No Comment (NC)
1	a doc. # or name (and para. # if applicable)		Certificate holder's operational control system is described or referenced in the required manual by 14 CFR section 135.21. Describes how flights for certificate holder are initiated, conducted, terminated.	ACTION if "Result" above is "NC"
Detail / Record Evidence:				
Insp. Item #	A008 Element #	Look at <i>or</i> Speak with	Look for <i>or</i> Ask about	Result OK or NC
2	b.1 doc. # or name (and para. # if applicable)		Certificate holder retains all responsibility for the operational control of aircraft operations, including Actions or in-Actions of direct employees and agents of the certificate holder	ACTION if "Result" above is "NC"
Detail / Record Evidence:				

Insp. Item #	A008 Element #	Look at <i>or</i> Speak with	Look for <i>or</i> Ask about	Result OK or NC
3	b.2		Certificate holder's operational control responsibility is not transferable to any other person or entity.	
	doc. # or name (and para. # if applicable)			ACTION if "Result" above is "NC"
Detail / Record Evidence:				
Insp. Item #	A008 Element #	Look at <i>or</i> Speak with	Look for <i>or</i> Ask about	Result OK or NC
4	b.3		Certificate holder's operational control responsibility supersedes any agreement, contract, understanding or arrangement, either written or oral, expressed or implied, between any persons or entities.	
	doc. # or name (and para. # if applicable)			ACTION if "Result" above is "NC"
Detail / Record Evidence:				

Insp. Item #	A008 Element #	Look at or Speak with	Look for or Ask about	Result OK or NC
5	c.1		Certificate holder does not engage in franchising or sharing certificate holder's authority for the conduct of operations under certificate holder's operation specifications, to or with any person or entity.	
	doc. # or name (and para. # if applicable)			ACTION if "Result" above is "NC"
Detail / Record Evidence:				
Insp. Item #	A008 Element #	Look at or Speak with	Look for or Ask about	Result OK or NC
6	c.2		Certificate holder does not use any DBA, in anyway that represents an entity that does not hold an air carrier or operator certificate and operations specifications as having such a certificate and operations specifications.	
	doc. # or name (and para. # if applicable)			ACTION if "Result" above is "NC"
Detail / Record Evidence:				

Insp. Item #	A008 Element #	Look at <i>or</i> Speak with	Look for <i>or</i> Ask about	Result OK or NC
7	c.3		Certificate holder has not entered into a wet lease with any person not authorized by the FAA to engage in common carriage under parts 121 or 135, where that person provides an aircraft and at least one crewmember	
	doc. # or name (and para. # if applicable)			ACTION if "Result" above is "NC"
Detail / Record Evidence:				
Insp. Item #	A008 Element #	Look at <i>or</i> Speak with	Look for <i>or</i> Ask about	Result OK or NC
8	c.3(a)		Certificate holder and any aircraft owner / lessor do not agree that certificate holder is required to use the aircraft owner's / lessor's pilot in part 135 operations.	
	doc. # or name (and para. # if applicable)			ACTION if "Result" above is "NC"
Detail / Record Evidence:				

Insp. Item #	A008 Element #	Look at or Speak with	Look for or Ask about	Result OK or NC
9	c.3(b)		No aircraft owner / lessor is obligated to furnish pilots to certificate holder to operate the aircraft.	
	doc. # or name (and para. # if applicable)			ACTION if "Result" above is "NC"
Detail / Record Evidence:				
Insp. Item #	A008 Element #	Look at or Speak with	Look for or Ask about	Result OK or NC
10	c.3(c)		No aircraft owner / lessor has the power to veto who the certificate holder will use to pilot the aircraft in part 135 operations, so as to limit the certificate holder to using only the owner / lessor's pilots.	
	doc. # or name (and para. # if applicable)			ACTION if "Result" above is "NC"
Detail / Record Evidence:				

Insp. Item #	A008 Element #	Look at or Speak with	Look for or Ask about	Result OK or NC
11	c.4		Certificate holder does not transfer, surrender, abrogate, or share operational control responsibility to or with any other party.	
	doc. # or name (and para. # if applicable)			ACTION if "Result" above is "NC"
Detail / Record Evidence:				
Insp. Item #	A008 Element #	Look at or Speak with	Look for or Ask about	Result OK or NC
12	c.5		Certificate holder does not engage in any arrangement with any aircraft owner, lessor, person, or entity, which allows the use of an aircraft for operations without a complete, effective and sustainable transfer of operational control to certificate holder for all part 135 flight operations.	
	doc. # or name (and para. # if applicable)			ACTION if "Result" above is "NC"
Detail / Record Evidence:				

Insp. Item #	A008 Element #	Look at <i>or</i> Speak with	Look for <i>or</i> Ask about	Result OK or NC
13	d.1(a)		Certificate holder does not conduct operations under part 135, unless the crewmembers are direct employees or agents for certificate holder during all aspects of part 135 operations, including pre-flight and post-flight duties.	
	doc. # or name (and para. # if applicable)			ACTION if "Result" above is "NC"
Detail / Record Evidence:				
Insp. Item #	A008 Element #	Look at <i>or</i> Speak with	Look for <i>or</i> Ask about	Result OK or NC
14	d.1(a)		Certificate holder is accountable for the actions and in-actions of all crewmembers during all part 135 operations.	
	doc. # or name (and para. # if applicable)			ACTION if "Result" above is "NC"
Detail / Record Evidence:				

Insp. Item #	A008 Element #	Look at ● <i>or</i> Speak with ●	→ Look for <i>or</i> Ask about	Result OK or NC
15	d.1(b)		Certificate holder's aircrews are current, trained, qualified, appropriately rated, and have a current medical to conduct flights under part 135, and approved by the certificate holder. (135.63)	
	doc. # or name (and para. # if applicable)			ACTION if "Result" above is "NC"
Detail / Record Evidence:				
Insp. Item #	A008 Element #	Look at ● <i>or</i> Speak with ●	→ Look for <i>or</i> Ask about	Result OK or NC
16	d.1(b)		Certificate holder's flightcrews are qualified to accept specific flight assignments, considering flight and rest requirements.	
	doc. # or name (and para. # if applicable)			ACTION if "Result" above is "NC"
Detail / Record Evidence:				

Insp. Item #	A008 Element #	Look at ● <i>or</i> Speak with ●	→ Look for <i>or</i> Ask about	Result OK or NC
17	d.1(b)		Each of the certificate holder's pilots is specifically listed by name and airman certificate number on a list of pilots at certificate holder's principle base of operations.	
	doc. # or name (and para. # if applicable)			ACTION if "Result" above is "NC"
Detail / Record Evidence:				
Insp. Item #	A008 Element #	Look at ● <i>or</i> Speak with ●	→ Look for <i>or</i> Ask about	Result OK or NC
18	d.2(a)		Certificate holder does not use any aircraft in flight operations, unless the aircraft is owned by and remains, without interruption in certificate holder's legal and actual possession (directly or through the certificate holder's direct employees and agents). (Or leased in accordance with Inspection item 19)	
	doc. # or name (and para. # if applicable)			ACTION if "Result" above is "NC"
Detail / Record Evidence:				

Insp. Item #	A008 Element #	Look at or Speak with	Look for or Ask about	Result OK or NC
19	d.2(b)		Certificate holder does not use any aircraft in flight operations, unless the aircraft is leased by the certificate holder and remains in the certificate holder's exclusive possession or custody during all of its part 135 flights. (Or owned in accordance with Inspection item 18)	
	doc. # or name (and para. # if applicable)			ACTION if "Result" above is "NC"
Detail / Record Evidence:				
Insp. Item #	A008 Element #	Look at or Speak with	Look for or Ask about	Result OK or NC
20	d.2(c)		For each aircraft the certificate holder operates, the aircraft owner or lessee may operate the aircraft under part 91, under the control and responsibility (including potential liability for unsafe operation) of the owner as long as maintenance is current to certificate holder's FAA-approved maintenance program.	
	doc. # or name (and para. # if applicable)			ACTION if "Result" above is "NC"
Detail / Record Evidence:				

Insp. Item #	A008 Element #	Look at <i>or</i> Speak with	Look for <i>or</i> Ask about	Result OK or NC
21	d.2(c)		Aircraft on certificate holder's certificate, operated under part 91 by the aircraft owner, continues to adhere to certificate holder's maintenance program at all times, or undergoes a part 135 conformity validation check by the certificate holder before subsequent part 135 flight operations.	
	doc. # or name (and para. # if applicable)			ACTION if "Result" above is "NC"
Detail / Record Evidence:				
Insp. Item #	A008 Element #	Look at <i>or</i> Speak with	Look for <i>or</i> Ask about	Result OK or NC
22	d.3		Certificate holder has exclusive legal and actual possession (directly or through the certificate holder's employees and agents) of at least one aircraft for at least one kind of operation authorized in the certificate holder's operation specifications, as specified in 14 CFR section 135.25	
	doc. # or name (and para. # if applicable)			ACTION if "Result" above is "NC"
Detail / Record Evidence:				

Insp. Item #	A008 Element #	Look at or Speak with	Look for or Ask about	Result OK or NC
23	d.3		Certificate holder's exclusive use aircraft in not listed on any other part 119 certificate holder's operations specifications during the term of the exclusive use lease.	
	doc. # or name (and para. # if applicable)			ACTION if "Result" above is "NC"
Detail / Record Evidence:				
Insp. Item #	A008 Element #	Look at or Speak with	Look for or Ask about	Result OK or NC
24	d.4(a)		Certificate holder does not allow or create the circumstances to enable any other entity to conduct a flight for compensation or hire under part 119, 121, or 135 as if the entity were the certificate holder.	
	doc. # or name (and para. # if applicable)			ACTION if "Result" above is "NC"
Detail / Record Evidence:				

Insp. Item #	A008 Element #	Look at <i>or</i> Speak with	Look for <i>or</i> Ask about	Result OK or NC
25	d.4(b)		Certificate holder does not operate any aircraft under part 135, under the name or fictitious name of any other person or entity, unless authorized by the FAA in paragraph A001 of the certificate holder's operations specifications.	
	doc. # or name (and para. # if applicable)			ACTION if "Result" above is "NC"
Detail / Record Evidence:				
Insp. Item #	A008 Element #	Look at <i>or</i> Speak with	Look for <i>or</i> Ask about	Result OK or NC
26	d.4(c)		Certificate holder does not use any fictitious name to obscure the certificate holder's responsibility and accountability to exercise operational control, and responsibility for the safety of each part 135 flight operations.	
	doc. # or name (and para. # if applicable)			ACTION if "Result" above is "NC"
Detail / Record Evidence:				

Insp. Item #	A008 Element #	Look at or Speak with	Look for or Ask about	Result OK or NC
27	d.5(a)		In accordance with 119.53(b), the certificate holder does not wet lease from or enter into a wet lease arrangement with any person not authorized by the FAA to engage in common carriage operations under parts 121 or 135.	
	doc. # or name (and para. # if applicable)			ACTION if "Result" above is "NC"
Detail / Record Evidence:				
Insp. Item #	A008 Element #	Look at or Speak with	Look for or Ask about	Result OK or NC
28	d.5(b)		Any agreement or arrangement between the certificate holder and an aircraft owner fully explains how the certificate holder oversees and ensures that only airworthy aircraft are used in the certificate holder's part 135 operations.	
	doc. # or name (and para. # if applicable)			ACTION if "Result" above is "NC"
Detail / Record Evidence:				

Insp. Item #	A008 Element #	Look at <i>or</i> Speak with	Look for <i>or</i> Ask about	Result OK or NC
29	d.5(c)		Certificate holder's operational control system includes a system of ensuring the certificate holder has complete, effective, and sustainable operational control over each aircraft operated, and that no surrender or loss of operational control exists.	
	doc. # or name (and para. # if applicable)			ACTION if "Result" above is "NC"
Detail / Record Evidence:				
Insp. Item #	A008 Element #	Look at <i>or</i> Speak with	Look for <i>or</i> Ask about	Result OK or NC
30	d.5(d)		Certificate holder does not operate any leased aircraft in which in agreement between the certificate holder, the aircraft owner or lessee, shifts liability and accountability for safety of part 135 operations from the certificate holder to the aircraft owner or other parties.	
	doc. # or name (and para. # if applicable)			ACTION if "Result" above is "NC"
Detail / Record Evidence:				

Insp. Item #	A008 Element #	Look at ● <i>or</i> Speak with ●	→ Look for <i>or</i> Ask about	Result OK or NC
31	d.6(a)(i)		Prior to any part 135 flight, or series of flights, at least one authorized management person, or mgmt designee, (a direct employee) listed in paragraph A006 (other than the pilot), must determine whether each assigned crewmember is qualified and eligible to serve as a crewmember in the aircraft and type of operation assigned.	
	doc. # or name (and para. # if applicable)			ACTION if "Result" above is "NC"
Detail / Record Evidence:				
Insp. Item #	A008 Element #	Look at ● <i>or</i> Speak with ●	→ Look for <i>or</i> Ask about	Result OK or NC
32	d.6(a)(ii)		Prior to any part 135 flight, at least one person, or mgmt designee, (a direct employee) listed in paragraph A006 (other than pilot), must determine whether the aircraft assigned is listed in operations specifications paragraph D085.	
	doc. # or name (and para. # if applicable)			ACTION if "Result" above is "NC"
Detail / Record Evidence:				

Insp. Item #	A008 Element #	Look at <i>or</i> Speak with	Look for <i>or</i> Ask about	Result OK or NC
33	d.6(a)(ii)		Prior to any part 135 flight, at least one management person, or mgmt designee (other than the pilot), (a direct employee) listed in paragraph A006, must determine the assigned aircraft is airworthy under certificate holder's approved inspection, maintenance, or airworthiness program.	
	doc. # or name (and para. # if applicable)			ACTION if "Result" above is "NC"
Detail / Record Evidence:				
Insp. Item #	A008 Element #	Look at <i>or</i> Speak with	Look for <i>or</i> Ask about	Result OK or NC
34	d.6(b)		Prior to any 135 flight or series of flights, at least the PIC assigned must determine, whether the flight can be initiated, conducted, or terminated safely and in accordance with the certificate holder's operations specifications, manuals, and regulations.	
	doc. # or name (and para. # if applicable)			ACTION if "Result" above is "NC"
Detail / Record Evidence:				

Insp. Item #	A008 Element #	Look at ● <i>or</i> Speak with ●	→ Look for <i>or</i> Ask about	Result OK or NC
35	d.6(b)		Operational determinations that are made for the certificate holder for part 135 flights, made by PIC's assigned to that flight, are made in accordance with the certificate holder's written policies, procedures and standards.	
	doc. # or name (and para. # if applicable)			ACTION if "Result" above is "NC"
Detail / Record Evidence:				
Insp. Item #	A008 Element #	Look at ● <i>or</i> Speak with ●	→ Look for <i>or</i> Ask about	Result OK or NC
36	d.6(b)(ii) (A)		Delegated personnel who make operational control decisions for the certificate holder meet the requirements of section 119.69(d), and their names, titles, duties, responsibilities, and authorities are specified in the certificate holder's required manuals, OpSpec A006, or described in A008 .	
	doc. # or name (and para. # if applicable)			ACTION if "Result" above is "NC"
Detail / Record Evidence:				

Insp. Item #	A008 Element #	Look at ● <i>or</i> Speak with ●	→ Look for <i>or</i> Ask about	Result OK or NC
37	d.6(b)(ii) (B)		Certificate holders issued A039 & A040, persons listed in the OpSpecs must determine & have sufficient knowledge of whether a flight or series of part 135 flights can be initiated, conducted, or terminated safely in accordance with the limitations, authorizations, procedures approved in subparagraph (a) above & the appropriate regulations	
	doc. # or name (and para. # if applicable)			ACTION if "Result" above is "NC"

Detail / Record Evidence:

Insp. Item #	A008 Element #	Look at ● <i>or</i> Speak with ●	→ Look for <i>or</i> Ask about	Result OK or NC
38	d.7(a)		Certificate holder has a system in-place to inform the assigned PIC which flight operations and segments of flight operations are conducted under part 135 and which are conducted under part 91. For part 135 operations, that the certificate holder is responsible and accountable for safe operation of all part 135 flight operations.	
	doc. # or name (and para. # if applicable)			ACTION if "Result" above is "NC"

Detail / Record Evidence:

Insp. Item #	A008 Element #	Look at <i>or</i> Speak with	Look for <i>or</i> Ask about	Result OK or NC
39	d.7(b)		Certificate holder's operational control system clearly states and ensures that each pilot is informed and understands that failure to adhere to the certificate holder's directions and instructions may be contrary to parts 119 and/or 135, and therefore may be subject to legal enforcement Action by the FAA.	
	doc. # or name (and para. # if applicable)			ACTION if "Result" above is "NC"
Detail / Record Evidence:				

Name of POI conducting Special Emphasis Inspection: _____

Name of Supervisory ASI: _____

CHDO: _____

POI Signature: _____

SASI Signature: _____

Date: _____

This record shall be maintained in the CHDO file for the certificate holder for no less than three years.

Appendix B. Simplified Matrix of Findings and Actions

Summary of Inspection	Findings	PTRS Close Out	PTRS Comment	Action(s)
(S) Satisfactory	No discrepancies	√		No Action
(I) Information (Minor changes required)	Minor issues, certificate holder performs on-the-spot correction(s)	√	√	No Action
	Minor, immediate revision to procedure, policy, GOM, etc.	√	√	Letter of Correction
(U) Unsatisfactory (Noncompliant Operational Control System)	Systemic issues requiring significant revisions to procedures, policies, GOM, etc. Safe operations may be maintained through additional surveillance and emphasis by certificate holder during transition. Note: Significance of FAA action depends on the speed of certificate holder correction.	√	√	Warning letter, Civil Penalty if delayed compliance, suspension until showing compliance if progress toward compliance is unacceptable, revocation for lack of qualification if the certificate holder is unable to effect required changes. ¹
	Systemic issues requiring major revisions to procedures, policies, GOM, etc. Certificate holder unable to conduct safe operations during transition.	√	√	Suspension until showing compliance. ¹
Certificate Franchising	Certificate holder is allowing non-certificated entities to conduct operations as if they held a certificate	√	√	Certificate Revocation ²

¹ Coordinate suspensions until showing compliance with the regional Flight Standards division, and, if required, AFS-250.

² Contact AFS-250 immediately.