

## Roundtable

- It can be tempting to use objective, formulaic airline ratings, but evaluating the strength of available data is critical and extremely difficult to take into account in objective methodology.
  - Oversimplified example: Small airline in Canada has 30 safety incidents, small airline in Madagascar has 2. Doesn't mean that the one in Madagascar is 15x safer, just that incident reporting is better in Canada.
- Aviation oversight: In many developing countries, aviation oversight/incident reporting is nonexistent, and regulators serve as rubber stamps. The FAA evaluates the aviation authorities of countries with flights to the U.S., and the E.U. does something similar (but less structured) with their 'blacklist' program.
- Maintenance/Training: Maintenance shops require 'approvals' from national aviation authorities, in most cases a prerequisite for working on aircraft bearing that country's registration. FAA/EU approvals (in addition to local/regional) are ideal. Similarly, training facilities should carry licensing/approval from manufacturers and major aviation authorities.
- Fleet: Aging aircraft (AI uses the FAA definition of 14+ years) are not necessarily unsafe, but do require additional maintenance, like owning a classic car; factors such as finances and maintenance certifications become even more key if the fleet is generally old. Financially struggling airlines with a small fleet of aging aircraft may be tempted to keep them flying despite maintenance schedules, just to keep the money flowing. Some carriers still utilize Soviet-era aircraft (Antonov, Ilyushin, Tupolev, Yakovlev), which are to be avoided if possible.
- Security: As a key part of any nation's economy (as well as often serving as a symbol of the country/government), airlines are favored terrorist/rebel targets. One has to look at regional security concerns (WW plug), any additional risk conveyed by the nationality of the carrier (eg, Israel, U.S., etc), and any supplementary security the airline provides on top of that already present at its destination airports
- Safety record: Commercial aircraft are extremely complex, and pilots are ultimately only human; with over 30,000 commercial flights per day in the U.S. alone, incidents are statistically inevitable. Trend analysis is key; Lion Air (Indonesia) had a very long history of poor landings before the well-reported on (non-fatal) crash in April 2013. Many engine failures could indicate lax maintenance; taxiing incidents could indicate poor pilot training or pilot exhaustion, etc.
- Nuance: Some areas of the world just don't have any ideal airlines, due to poor oversight, security conditions, economic woes. Key to good risk management is to provide security and travel managers with nuanced analysis of a carrier, to better enable them to make judgments about what is best for their people and their business