



Introduction to

Federal Requirements for Airport Safety Management Systems

2023



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Introduction

On February 23, 2023, the Federal Aviation Administration (FAA) published in the Federal Registry the final rule §139.403 that requires certain airport certificate holders to develop, implement, maintain, and adhere to an airport safety management system (SMS). The rule is effective April 24, 2023, at which time qualifying airports have:

- 12–24 months to submit an implementation plan for approval (based on triggering criteria);
- 12 months to submit an Airport Certification Manual amendment/SMS manual after implementation plan approval; and
- 36 months to fully implement the SMS after implementation plan approval.

The SMS integrates modern safety concepts into repeatable, proactive processes in a single system, emphasizing safety management as a fundamental business process to be considered like other aspects of business management. The FAA has mandated a framework for airport loss control that will be welcomed by insurance underwriters and includes four basic components:

1. Safety policy
2. Safety risk management
3. Safety assurance
4. Safety promotion

This Airport SMS rulemaking has been in process for over a decade, including pilot studies and industry comment periods to develop the rule and corresponding Advisory Circular (AC) 150/5200-37A. This final rule will ultimately help airports detect hazards and their associated risks, mitigate issues where practical and reduce the likelihood and/or severity of hazardous events.

“The safe operation of our nation’s airports is paramount during these historic times in aviation as we work to repair and construct necessary airport infrastructure,” said associate administrator of airports for the FAA, Shannetta R. Griffin, PE. “This rule promotes safety and allows airports to work collaboratively with partners to mitigate risks and avert accidents.”

The FAA documentation and other resources are available on the [SMS page](#).

Airports Impacted by the New Rule

Approximately 550 airports fall under 14 CFR Part 139, and 258 of them are required to follow the SMS rules. The FAA applied a risk-based approach to the new rule’s applicability to determine which Part 139 certified airports the rule applies to. The FAA chose to require SMS only at the certificated airports with the highest passenger enplanements, with the largest total operations, and that host international air traffic.

For an airport to be required to comply with the new SMS rule of Part 139, they must meet one of the following criteria:

1. Be classified as a hub airport;
2. Have a 3-year rolling average of 100,000 operations per year; or
3. Have international operations (not only General Aviation traffic).

The FAA estimates the airports triggered under any of the three criteria capture over 90 percent of air carrier passenger traffic in the United States.

For further details, see the FAA’s [Airports Affected](#) page.

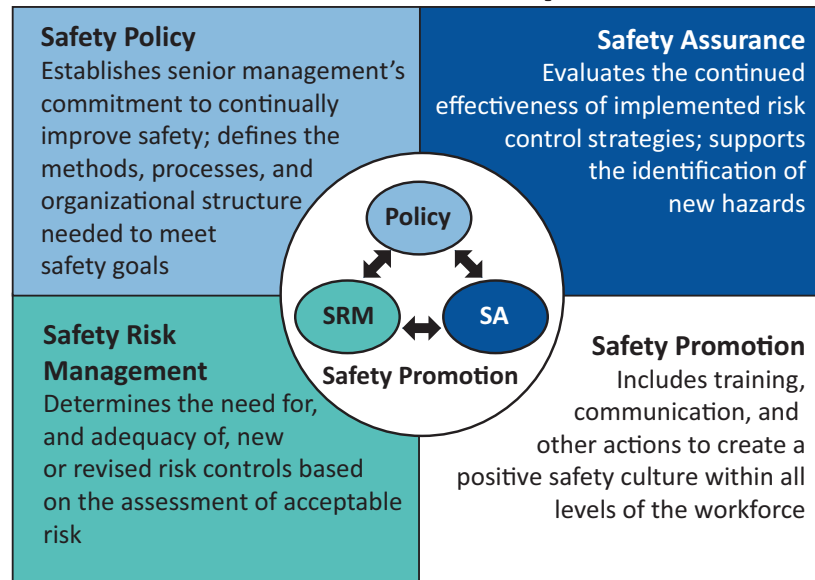


Overview of the Safety Management System (SMS)

SMS emerged as a recognized safety methodology over 30 years ago, as investigative inquiries related to accidents or incidents began to focus on prevention rather than reaction. The “reactive approach” often resulted in fixing one series of causal factors related to a single accident or incident but did not focus on identifying or mitigating other root causes or issues that could have contributed to the accident or incident. The reactive approach focused on who had the accident or incident and what happened but failed to adequately address how and why it happened.

SMS is defined in 14 CFR 139.5 as an “integrated collection of processes and procedures that ensures a formalized and proactive approach to system safety through risk management.” SMS is comprised of four basic components:

The Four SMS Components



Source: [Federal Aviation Administration](#)

These components are designed to maximize SMS’s safety benefits to stakeholders in the least burdensome manner. Some of the benefits derived from SMS can include:

- Reduced likelihood of accidents
- Reduced costs related to accidents and incidents
- Assurance that a systematic process is in place to monitor and address safety issues in a transparent and informed way
- The potential for reduced insurance and liability costs
- Competitive advantage and the possibility of more business opportunities
- Improved regulatory compliance
- Improved employee morale and performance
- Identification of the best use of limited resources
- Reduced reliance on a few key personnel
- Improved loss control
- Consistency

Timeline and Implementation

The new rule requires FAA approval of the implementation plan, which is meant to serve as a tool to help an airport operator develop and implement the various components and elements of SMS within the prescribed deadlines. Once approved, an airport operator may make necessary adjustments to maintain compliance with the prescribed deadlines. Any change to the Airport Certification Manual (ACM) will require immediate submittal to the FAA because Part 139 requires airports to have an “approved” and complete ACM on file.

The following timelines for qualifying airports start on April 24, 2023, the effective date of the rule, §139.403. At this time, airports will have:

- 12–24 months to submit an implementation plan for approval (based on triggering criteria).
- 12 months to submit an Airport Certification Manual amendment/SMS manual after implementation plan approval; and
- 36 months to fully implement the SMS after implementation plan approval.



Any change to the Airport Certification Manual (ACM) will require immediate submittal to the FAA.

The SMS implementation plan identifies a realistic strategy for developing the SMS through a framework and series of steps. For certificate holders regulated under part 139, the creation of an SMS implementation plan is accomplished early in the development of its SMS (Ref 14 CFR section 139.403(b)). Airports may need to consider their current safety culture and account for further cultural development in their implementation plan.

The development of the implementation plan can be broken into four steps:

1. Develop and implement an SMS program. To begin, airports should conduct an operational gap analysis focused on the four components. This will document where their current safety programs support the four components of the rule and where there are compliance gaps. These gaps then need to be addressed in an implementation plan to explain compliance efforts and timelines.
2. Create the implementation plan and document how the organization will go from the current state to the required state and meet all regulatory requirements in Part 139. The organization should also assess its risk and safety resources and determine what is needed. The level of detail included in the plan should be enough to determine if progress is being made.
3. After the implementation plan is approved by the FAA, airports will need to develop an operational manual containing the process and procedures of the four SMS components: Safety Policy, Safety Risk Management, Safety Assurance, and Safety Promotion. This manual should not be part of the Airport Certification Manual but should be referenced as a stand-alone document so frequent updates and changes can be made during activation of the SMS without the need for FAA signatures each time.
4. Airports should conduct a systems analysis to determine the best information technology (IT) database requirements for their SMS programs. The analysis findings may discover there is a current database that meets requirements but needs to be customized to support SMS or that the airport will begin a system procurement process. Careful and comprehensive data management is key to a successful SMS.

USI Solutions

USI is an insurance broker and risk management firm that has specialized in serving airport clients for more than 20 years. Serving as a broker for some of the largest Part 139 Airports in the U.S., we are dedicated to helping our clients improve safety standards and manage emerging risks. To help accomplish these goals and better serve our airport clients, USI developed a technology-based platform called the Safety Hazard Assessment and Risk Program (SHARP).

SHARP provides our clients with a comprehensive and cost-effective IT database for their SMS programs. The platform serves as administrative support for the key personnel who manage the airport SMS programs. Our cutting-edge technology can keep all of the safety data for airports in one convenient place, produce the analytics needed for making informed decisions regarding the mitigation of risks, and help ensure airports are following FAA regulations under the new rule.

SHARP is also an enterprise-wide SMS. It was developed for both airside and landside hazards and has an effective mobile reporting feature. The SHARP database contains everything you need for managing your SMS in an easy and user-friendly environment.

SHARP performs but is not limited to the following functionalities:

- All-hazard reporting portal
- Confidential reporting
- Customizable dashboards for SMS staff and management
- Easy-access portal for all employees – accepts an unlimited number of users
- Maintains all uploaded documents, pictures and videos
- Email alerts
- Hazard root cause investigation
- Risk assessment functionality
- Hazard mitigation planning and implementation
- Safety assurance including reports and evaluations (audits)
- Safety promotion including meeting functions, incentives, and training materials
- Multi-function help guidance including electronic user guide, video tutorial and trouble ticket
- Mobile reporting via tablet and cell phone

Our team of airport insurance specialists is available around the clock to help your airport improve safety and lower risk, which leads to better customer satisfaction and lower operating costs. Contact your USI representative or email pcinquiries@usi.com to learn more about improving safety standards, managing emerging risks and/or scheduling a demo of SHARP.