J Dickstein, EASA to Require SMS in the US, MRO MANAGEMENT MAGAZINE, April 2024

European Safety Management Systems (SMS) requirements will be enforced at the end of this year. This is not just an issue for repair stations located in the Europe Union. If you work in a US based repair station that holds EASA 145 privileges, then you should expect that you will need to implement a Safety Management System.

What is SMS?

A safety management system, or an SMS, is a set of processes intended to improve the way that a business manages safety.

The SMS typically starts with high level safety policies from upper management, which are intended to reflect management's commitment to safety. The safety policy is typically supplemented with safety goals that are related to the policy and are set by management in order to highlight the safety achievement expectations. These will often be tracked using metrics that reveal the safety achievement of the business, and that allow management to control and improve safety.

An important element of the SMS is that it features a list of safety hazards facing the business. I advise companies to start off listing the hazards that they've already addressed. In many cases, the existing policies and procedures that already exist in the company are mitigating or preventing known hazards. These should all be listed as hazards – even though they've been previously mitigated – because listing them in your database helps the company use its SMS system to effectively manage change.

Each of the hazards will then be subject to risk assessment. I've written a number of articles about the subject to we won't go into depth here, but the risk assessment helps to prioritize where safety resources need to be committed first, and also helps to identify mitigations (procedures) that reduce the risk of each hazard to an acceptable level. All of those mitigations will also get listed in your database (ideally, this will include all of your existing safety procedures, which will each be connected to the hazard or hazards that the procedure mitigates).

By starting this way, your system can later be used to support change management, because when a procedure is intended to be changed, you can see what hazards it is connected to, and you can assess what affect the procedure change might have on the hazards that the procedure already mitigates.

You will then audit those mitigations to ensure that they (1) are being properly implemented, and (2) they are achieving the intended result. This audit process can reveal

additional hazards, which helps to create a feedback loop to support continuous safety improvement. It can also develop data that supports the metrics that reveal the health of the system.

Finally, you will communicate the details about the system, from procedures to findings, in order to endure that your safety efforts are successful. Making the employees a part of the system in a just culture environment is an important part of the success of SMS.

How Do EASA Plans Affect the US?

EASA issued Safety Management Systems (SMS) requirements for repair stations. All repair stations directly subject to the EASA 145 regulations will need to implement an SMS by December 2 of this year (2024).

Repair stations located in the United States are not directly subject to the EASA 145 regulations. Instead, they are subject to the bilateral agreement between the European Union and the United States. That agreement allows repair stations in the United States to obtain EASA 145 privileges by (1) obtaining an FAA Part 145 repair station certificate and also (2) implementing additional requirements, including implementation of each of the special conditions outlined in the Maintenance Annex to the bilateral agreement.

EASA has stated to the FAA that they intend to name SMS as a special condition to be added to the Maintenance Annex. This means that U.S.-based repair stations will need to implement SMS programs in order to retain their EASA 145 credentials.

At this time, the expectation is that US-based repair stations will not need to directly comply with the EASA 145 SMS requirements. Instead, it will be sufficient for US-based repair stations to comply with the FAA's voluntary SMS program.

This is not as easy as it sounds. The voluntary program is still in development. The standards for what is considered acceptable appear to be in flux, which has led to frustration among some participants in the program as it appears that there is no firm objective standard for what is considered to be acceptable to meet the standards for compliance in the program.

The FAA's Part 5 SMS requirements are used as a guideline but they do not directly apply, as a matter of law, which means that there is an opportunity for the FAA employees to apply standards hat go beyond the strict language of the SMS regulations that apply to air carriers. This makes it possible for the voluntary program to be more onerous than a regulated program would have been. In practice, it appears that the standards are non-uniform because the voluntary program standards are more likely to be subject to the

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discretion of individual employees at the FAA, which leads to greater variance in how the program is implemented. The FAA will need to rapidly establish more objective standards if it intends to accept SMS as a special condition in the Maintenance Annex.

In addition to settling on objective standards for compliance, the FAA needs to ensure that it has adequate personnel to oversee the program. When this was discussed late in 2023, I asked Larry Fields of the FAA whether the FAA had adequate resources to induct 1000 additional U.S. repair stations into the voluntary SMS program (the rough number of US-based EASA 145 privilege holders). He confidently said "yes" (and Larry is the kind of executive who gets things done). But this is a tremendous increase in the program, so it will be interesting to see just how scalable the voluntary program really is.

Size of the program isn't the only scalability concern. One of the fears about the application of SMS requirements to repair stations is the issue of scalability of the program requirements to smaller repair stations. When a repair station has resources to staff an SMS program, then it can remain focused on using the program to improve safety. But in a smaller repair station, applying the same expectations could overwhelm the small business. Making the program scalable to smaller businesses has always been an important point of discussion. One of the drawbacks to the FAA using a voluntary program instead of relying on a regulated program is that the laws that protect small businesses against overwhelming regulations do not protect small businesses against "voluntary programs."

There are some resources available to help support small businesses that want SMS guidance. SM-0001 is SMS guidance that was written mostly by the manufacturing community. It presently is unwieldy to apply directly to a repair station, but it still offers some useful guidance and ideas. A maintenance subcommittee is drafting revisions that will implement EASA 145 requirements and will also update the language to better reflect the needs of the maintenance community.

I've written articles for this magazine and for others on how to build an SMS program and how to start using the program (even in a small business). There are links to the articles on the MARPA website, which can be found at http://www.pmaparts.org.