



Canonical ID: 09CANBERRA1081_a
Subject: AUSTRALIA: FAA COMPLETES ASSESSMENT, NEXT STEPS
From: Australia Canberra
To: Australia Melbourne, Australia Perth, Australia Sydney,
Department of Commerce, Secretary of State, White House
Original Classification: CONFIDENTIAL
Current Classification: CONFIDENTIAL
Previous Handling Restrictions: -- Not Assigned --
Archive Status: -- Not Assigned --
Type: TE
Locator: TEXT ONLINE
Reference(s): -- N/A or Blank --
Executive Order (E.O.): -- Not Assigned --
Markings: -- Not Assigned --
Enclosure: -- Not Assigned --
Concepts: -- Not Assigned --
TAGS: Australia [AS]
Economic Affairs--Aeronautics and Aviation; Civil Aviation [EAIR]
Office: -- N/A or Blank --
Document Character Count: 4046
Date: 2009 December 7, 05:33 (Monday)

C O N F I D E N T I A L SECTION 01 OF 02 CANBERRA 001081

SENSITIVE
SIPDIS

DEPARTMENT FOR EAP/ANP, EEB/TRA/OTP (JONATHAN WEBSTER),
FEDERAL AVIATION ADMINISTRATION (ELIE NASR, INTERNATIONAL
TECHNICAL SUPPORT BRANCH/FLIGHT STANDARDS SERVICE)

E.O. 12958: DECL: 12/07/2019
TAGS: EAIR, AS
SUBJECT: AUSTRALIA: FAA COMPLETES ASSESSMENT, NEXT STEPS

REF: A. STATE 119313

B. CANBERRA 1040

Classified By: Political-Economic Counselor Edgard Kagan, Reasons 1.4 (b)(d).

1. (C/NF) Summary: The FAA team concluded their audit (reftels) and gave a brief assessment of preliminary findings. While the team recognized improvements on previous shortcomings and commended many areas, a few problems remain. Australian officials seem committed to overcoming the shortcomings before a second and final FAA visit within the next three months, but the possibility of a category downgrade does exist and is being taken seriously. The team outlined the sequence of events going forward and agreed to work closely with Embassy Canberra. End Summary.



2. (C/NF) The FAA team gave a preliminary assessment of their November 30 - December 4 audit to Australian Civil Aviation and Safety Authority (CASA) officials and separately to DCM Dan Clune. The team explained the significant shortcomings, discussed potential scenarios, outlined the sequence of events going forward and agreed to work closely with Embassy Canberra.

Problem:

3. (C/NF) While the team recognized improvements on previous shortcomings and commended many areas, there remain a few shortcomings, principally a shortage of properly-trained inspectors and excessive delegation of regulatory functions to carriers.

Approximate Timeline:

4. (C/NF) Based on our conversations with FAA team members, following is a rough sequence of events going forward:

-- Two weeks: Informal letter FAA team to CASA (through State/Embassy Canberra) delineating specific areas from their assessment that need to be addressed. This is meant to aid CASA to swiftly focus efforts on overcoming shortcomings.

-- 30 days: Formal State front-channel cable with official report of the week-long assessment, constituting official notification from FAA to CASA under ICAO. According to the FAA team, this cable will most likely state that Australia does not/not comply with ICAO standards and indicate that, if the problems are not remedied, it would be downgraded to Category 2. The cable will also request further consultations, which would include a second visit to Australia within 65 days after the first visit.

-- 65-90 days: Second visit to Australia, probably by the end of February 2010, by a smaller team. This would be a shorter verification trip which would determine whether or not to recommend a downgrade to Category 2.

-- Mid-March 2010: Approximate timeframe when FAA would publish official notice of a Category 2 downgrade, in the event this were to happen.

Preventing Worst-Case Scenario

5. (C/NF) A downgrade to Category 2 would be the worst-case scenario, which would entail measures such as freezing Australia-U.S. flight operations to current levels



and terminating code-sharing arrangements, such as the one between Qantas and American Airlines. CASA officials are not taking this possibility lightly and seem committed to resolve the shortcomings in order to avoid a downgrade.

6. (C/NF) Comment: FAA team members were extremely satisfied with CASA officials' openness and eagerness to make constructive improvements based on the assessment. FAA Qmake constructive improvements based on the assessment. FAA and CASA clearly have a good working relationship and we will monitor progress toward maintaining Category 1 status. We will also monitor that CASA's efforts enjoy adequate support at the ministerial level as well as from

CANBERRA 00001081 002 OF 002

Australia's commercial airlines.

BLEICH

