



**U.S. Department of  
Transportation**  
Office of the Secretary  
of Transportation  
Office of Inspector General

# Memorandum

Subject: INFORMATION: Audit Announcement—  
FAA Oversight of Commuter and  
On-Demand Operators  
Federal Aviation Administration  
Project No. 07A3004A000

Date: September 27, 2007

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From: Robin Hunt  
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for Aviation and Special Programs

Reply to  
Attn of: JA-10

To: Assistant Administrator for  
Financial Services and Chief Financial Officer

The U.S. aviation system has often been described as one of the safest in the world. Although large U.S. commercial air carriers have maintained an unprecedented safety record during the last five years, the fatal accident rate for smaller commercial operators (i.e., commuter and on-demand operators operating under FAR Part 135) has not been as good. National Transportation Safety Board (NTSB) accident statistics indicate that between 2000 and 2006 the fatal accident rate for Part 135 operators was over 30 times higher than that of large commercial Part 121 operators. This accident rate, coupled with the fact that air taxi operations are widely dispersed throughout the U.S. and often in smaller cities, presents Federal Aviation Administration (FAA) with a daunting oversight challenge.

The House Committee on Transportation and Infrastructure requested that we perform a review of FAA's oversight of commuter and on-demand operators. The Committee expressed concerns regarding whether FAA has sufficient information about these operators to perform oversight. Additionally, the Committee was concerned with whether the operating requirements and level of FAA oversight were equivalent for small commercial air carriers and large commercial passenger operations.

Accordingly, the Office of Inspector General plans to conduct an audit of FAA oversight of commuter and on-demand operators conducting flights under

Part 135 of the Federal Aviation Regulations. The objectives of our audit will be to:

- Evaluate the differences between FAA regulations and oversight for commuter and on-demand operators versus larger commercial air carriers and determine why these differences exist.
- Identify specific issues that may hinder FAA in its oversight, such as a lack of adequate data on commuter and on-demand operations.

Our audit will include visits to FAA Headquarters, FAA offices responsible for oversight of Part 135 operators, and selected Part 135 operators. We will contact your audit liaison to schedule an entrance conference. If you have any questions or need additional information, please contact Lou E. Dixon, Program Director, at (202) 366-0500 or Tina Nysted, Project Manager, at (404) 562-3792.

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cc: FAA Chief of Staff  
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