

Patrick Ky  
Executive Director  
VLAM/ACOR/FS2

M/S Pakistan International Airlines  
Corporation Limited  
My. Yaseen Muhammad  
Jinnah International Airport  
Karachi 75200  
Pakistan

E-mail: khivrpk@piac.aero

- **distribution by email only** -

**Subject: Suspension of Third Country Operator Authorisation No. EASA.TCO.PAK-0001.01**

### **DECISION OF THE EUROPEAN UNION AVIATION SAFETY AGENCY**

In accordance with Article 82(1) of Regulation (EU) 2018/1139 of the European Parliament and of the Council<sup>1</sup> and ART.235(a) of Annex 2 (Part-ART) to Commission Regulation (EU) No 452/2014<sup>2</sup>, the European Union Aviation Safety Agency (EASA) hereby suspends the Third Country Operator (TCO) Authorisation No EASA.TCO.PAK-0001.01 issued to M/S Pakistan International Airlines Corporation Limited on [17 May 2016 (the TCO Authorisation)].

#### **BACKGROUND**

**M/S Pakistan International Airlines Corporation Limited** was issued with the TCO Authorisation on 17 May 2016. As part of the Continuous Monitoring, required by ART.220 and ART.215 of Part-ART, EASA carries out an assessment of the M/S Pakistan International Airlines Corporation Limited's operation under the TCO Authorisation in order to assess the continued compliance of M/S Pakistan International Airlines Corporation Limited with the applicable requirements of Annex 1 (Part-TCO) to Regulation No 452/2014, notably TCO.200 thereof. In doing so, EASA shall also take into consideration any relevant information on the oversight capabilities of the State of the Operator.

In the course of EASA's assessment conducted in accordance with ART.215 of Part-ART, two technical consultation meetings with M/S Pakistan International Airlines Corporation Limited were held at EASA's premises in Cologne on 13 June 2019 and 3 September 2019.

As a result of the analysis of the information obtained by EASA and taking into account the outcome of the aforementioned consultation meetings, EASA raised a total number of six (6) level 2 findings, pursuant to ART.230(b) of Part-ART. For all findings, M/S Pakistan International Airlines Corporation

<sup>1</sup> Regulation (EU) 2018/1139 of the European Parliament and of the Council of 4 July 2018 on common rules in the field of civil aviation and establishing a European Union Aviation Safety Agency, and amending Regulations (EC) No 2111/2005, (EC) No 1008/2008, (EU) No 996/2010, (EU) No 376/2014 and Directives 2014/30/EU and 2014/53/EU of the European Parliament and of the Council, and repealing Regulations (EC) No 552/2004 and (EC) No 216/2008 of the European Parliament and of the Council and Council Regulation (EEC) No 3922/91 (OJ L 212, 22.08.2018, p. 1).

<sup>2</sup> Commission Regulation (EU) No 452/2014 of 29 April 2014 laying down technical requirements and administrative procedures related to air operations of third country operators pursuant to Regulation (EC) No 216/2008 of the European Parliament and of the Council (OJ L 133, 6.5.2014, p. 12).



Limited proposed corrective action plans (CAPs), which were accepted by EASA. Following the review of the evidence of implementation of the agreed CAPs, five (5) findings were closed. For the remaining finding, which is related to Safety Management, M/S Pakistan International Airlines Corporation Limited failed to fully implement the agreed CAP despite an extension of the CAP implementation period. Therefore, EASA has escalated the level 2 finding to level 1.

The level 1 finding concerns in particular:

*The operator could not demonstrate having effectively implemented all elements of a Safety Management Systems as required by Annex 6 Part 1 and Annex 19 to the Chicago Convention (ref. PAK-0001/TR-2017-03/04).*

Furthermore, EASA has received information according to which on Wednesday 24 June 2020, the Aviation Minister, Mr. Ghulam Sarwar Khan, informed the Pakistani Parliament of the results of an investigations which revealed that more than 260 out of 860 pilot licenses issued by the Pakistani authorities and used by pilots operating for air operators certified in Pakistan are fraudulent. Based on this information, EASA is concerned about the validity of the Pakistani pilot licenses and that Pakistan, as the State of operator, is currently not capable to certify and oversee its operators and aircraft in accordance with applicable international standards. Pursuant to ART.235(a)(2) of Part-ART, EASA is required to take adequate enforcement measures in this situation.

For the reasons above, EASA formally notified M/S Pakistan International Airlines Corporation Limited by letter dated 26 June 2020 (ref. Ares(2020)3350074) that consequently EASA intended to suspend the TCO Authorisation pursuant to ART.235(a)(1) and (2) of Part-ART. M/S Pakistan International Airlines Corporation Limited was furthermore given the opportunity to voice its opinion on EASA's intentions to suspend the authorisation.

In response to EASA's consultation letter, on 28 June 2020, M/S Pakistan International Airlines Corporation Limited provided its opinion and additional information on EASA's intention to suspend the TCO Authorisation. This material was assessed by EASA as insufficient.

## **REASONS**

Pursuant to TCO.200 of Part-TCO, the third country operator shall comply with the applicable standards contained in the Annexes to the Convention on International Civil Aviation ('the Chicago Convention') when engaged in commercial air transport operations into, within or out of the territory of European Union (EU) Member States.

With regard to the open level 1 finding, M/S Pakistan International Airlines Corporation Limited provided explanation on the CAP implementation via the TCO Web-Interface and proposed additional timelines (three to four months) for some of the actions. The provided proposals and explanations to the level 1 finding are however considered insufficient by EASA for the following reasons:

- The software application, proposed by the operator, for safety data management, risk assessment and analysis including the statistical analysis and the ability to identify repeated or similar hazards/occurrences is still under development. In addition, in response to the consultation letter



(Ares(2020)3350074) sent to the operator on 26 June 2020, M/S Pakistan International Airlines Corporation Limited indicated that the software development completion requires additional three to four months, which cannot be granted by EASA, as EASA considers that the operator had been granted a sufficient timeline to eliminate the issues (more than nine months since the issuance of the finding).

- Insufficient evidence was provided confirming the complete implementation of item No. 4 of the agreed CAP related to functional reporting of the Safety Action Groups (SAGs) to the corporate safety department, as it did not contain a revised policy and related procedures;
- On 23 October 2019, M/S Pakistan International Airlines Corporation Limited issued a policy to timely address the safety reports. However, the submitted evidence revealed that since December 2019 none of these reports were processed as for instance the respective root causes were still not identified;
- M/S Pakistan International Airlines Corporation Limited proposed to develop extended guidance to facilitate the understanding and the application of the management of change, and to issue a bulletin endorsed by the accountable executive along with guidance material. Additionally, training was planned for the involved staff. However, M/S Pakistan International Airlines Corporation Limited could not provide suitable evidence of complete implementation of this action.
- Submitted documents related to the measurement of safety performance indicators (SPIs) revealed that some of the SPIs were controlled by different departments with different target settings. Furthermore, M/S Pakistan International Airlines Corporation Limited provided evidence of the correction of the calculation errors of the SPIs for the 2018, where EASA found some major inconsistencies, and even illogical, for instance the input for the SPIs are performed in flight hours, but the formula calculates number of landings. Furthermore, the submitted corporate SPIs does not contain all indicators measured by the departments themselves.

EASA already granted M/S Pakistan International Airlines Corporation Limited an extension of the CAP implementation deadline from 24 May 2020 to 17 June 2020. Moreover, following the recent tragic events that M/S Pakistan International Airlines Corporation Limited has faced, including flight PK8303 on 22 May 2020 and the initial findings laid down in the preliminary accident report showing successive breaches of multiple layers of safety defences in the safety management system, EASA is concerned that the safety management system is not achieving its primary objective.

Furthermore, in response to EASA's consultation letter, on 28 June 2020 M/S Pakistan International Airlines Corporation Limited claims that it has grounded all pilots that were part of the list of fraudulent license holders compiled by the Pakistani authorities.

However, this does not mitigate EASA's concern, as there are strong indications that a high number of Pakistani pilot licenses are invalid. EASA therefore no longer has confidence that Pakistan, as the State of operator, can effectively ensure that operators certified in Pakistan comply at all times with the applicable requirements for crew qualification, in particular with Article 29 of the Chicago Convention and with the standards laid down in chapter 1.2.1 of Annex 1 to the Chicago Convention.

As a consequence of the above, M/S Pakistan International Airlines Corporation Limited persists in failing to demonstrate compliance with the applicable standards of Annex 6 Part I to the Chicago Convention, in particular standard 4.4.1, and with Appendix 2 of Annex 19 to the Chicago Convention and consequently with the requirements of Part-TCO, notably TCO.200(a)(1) thereof.



Thus, the significant non-compliances that lower safety remain and EASA upholds the level 1 findings. Due to these non-compliances the TCO Authorisation is suspended in accordance with ART.235(a)(1) and (2) of Part-ART.

### **ENTRY INTO FORCE**

This Decision enters into force on **Wednesday, 1 July 2020, 00h00 UTC** and has immediate direct effect on any existing operating permits already issued by Member States for the M/S Pakistan International Airlines Corporation Limited's operations into, within or out of territories to which the EU Treaty applies, and Member States may issue new permits only when the suspension is lifted by EASA. In addition, EASA is compelled to notify the European Commission who may take up formal proceedings in the ambit of Regulation (EC) No 2111/2005<sup>3</sup>.

In accordance with ART.235(b) of Part-ART, the TCO Authorisation is suspended for a period of 6 months from the date of notification of this decision. During this period, the TCO Authorisation may be reinstated once EASA is satisfied that successful corrective action has been taken. When the period of 6 months from the date of suspension has expired, EASA may extend the suspension period for additional 3 months, in accordance with ART.235(b) of Part-ART. EASA shall revoke the TCO Authorisation when the suspension period has expired, and EASA is not satisfied that successful corrective action have been taken as provided in ART.235(c)(1) of Part-ART.

### **APPEAL**

M/S Pakistan International Airlines Corporation Limited has the right to appeal against this decision in accordance with Articles 108 to 114 of Regulation (EU) 2018/1139<sup>4</sup>. The appeal notification must be filed in writing at EASA within two months from the date of notification of this decision. M/S Pakistan International Airlines Corporation Limited is required to pay a fee when lodging the appeal. The appeal notification form and further instructions are available on the EASA website.<sup>5</sup>

Yours faithfully,



Patrick Ky

Copy: Pakistan Civil Aviation Authority  
dfs@caapakistan.com.pk, FlightStandard.Director@caapakistan.com.pk  
European Commission, DG MOVE  
EASA Member States

<sup>3</sup> Regulation (EC) No 2111/2005 of the European Parliament and of the Council of 14 December 2005 on the establishment of a Community list of air carriers subject to an operating ban within the Community and on informing air transport passengers of the identity of the operating air carrier, and repealing Article 9 of Directive 2004/36/EC (OJ L 344, 27.12.2005, p. 15).

<sup>4</sup> Regulation (EU) 2018/1139 of the European Parliament and of the Council of 4 July 2018 on common rules in the field of civil aviation and establishing a European Union Aviation Safety Agency, and amending Regulations (EC) No 2111/2005, (EC) No 1008/2008, (EU) No 996/2010, (EU) No 376/2014 and Directives 2014/30/EU and 2014/53/EU of the European Parliament and of the Council, and repealing Regulations (EC) No 552/2004 and (EC) No 216/2008 of the European Parliament and of the Council and Council Regulation (EEC) No 3922/91 (OJ L 212, 22.8.2018, p.1)

<sup>5</sup> <https://www.easa.europa.eu/the-agency/other-easa-boards/easa-board-of-appeal>.

