

QUALITY & SAFETY NEWSLETTER

DUBROVNIK AIRLINE PERIODICAL PUBLICATION

15.03.2007.

INSIDE THIS ISSUE:

IOSA CLOSED! 1

IOSA OVER-
VIEW 2

(IOSA is an acronym for IATA Operational Safety Audit).

We are happy and proud to announce that Dubrovnik Airline has finalized its process of initial IOSA registration among first charter airlines in the world. Official audit closure was declared on 5th of March this year. Final audit report is being submitted to the IATA by selected audit organisation in order to add Dubrovnik Airline to the list of registered IOSA operators (www.iata.org/iosa).

IOSA took place in Dubrovnik Airline between 13th and 17th of March last year. An audit team, composed of six highly experienced and qualified auditors from accredited audit organisation reviewed complete operational safety of the airline looking for documentation and implementation of IOSA standards and recommended practices in eight disciplines of importance for operational safety.

Although it althogheter looks like a long process, the time between management decision to go for IOSA by end of year 2005 (which was first operational year of Dubrovnik Airline) and end result is actually typical IOSA process. It is usual to see mature airlines in highly regulated environments to go through this process in a period of one year taking in account time needed for preparation.

Looking behind our shoulders, we can identify internal and external positive changes coming from IOSA process.

Externally, IOSA became in year 2006 internationally recognized quality label and a «must» for majority of scheduled operators due to code-share requirements and attraction to alliance membership.

Internally, we conceived IOSA process as a tool to help us build a strong and healthy

foundation for our development, as well as to acquire a competitive advantage being a non-EU charter airline.

Commitment to IOSA is a part of our policy of continuous improvement beyond regulatory compliance.

Congratulations to Dubrovnik Airline staff and management for demonstrating this outstanding commitment through all efforts undertaken from the start of operation!



IOSA closing meeting March 2006

NEXT STEPS

We are actually already in renewal process for IOSA registration. As a registration period is two years from the date of the closing meeting of the first IOSA renewal audit will fall mid-November this year. This will allow for corrective actions to take place before registration expiry. IATA is continuously improving IOSA programme. Based on inputs from experts and feedback from airlines

and audit organisations, as well as on regulatory revisions, a new edition of IOSA standards manual (ISM) is already effective from this month. You can download the ISM 2nd edition from following web site: <http://www.iata.org/ps/services/iosa/index.htm>

New edition is more elaborately addressing ICAO requirements for implementation of Safety

Management System (The amendment 30 to ICAO Annex 6 Part I). Also, new training and qualification standards must be observed such as English language proficiency, as well as equipment specifications and requirements. This changes will be addressed through gap analysis process that we are planning to accomplish in first half of this year as a part of our QA programme.

We are on the web!

www.dubrovnikairline.com

IOSA IN FIGURES

Currently 137 IOSA registered Operators

IATA's Industry Priorities for 2007

Safety:

95% of Member airlines **IOSA** audited by
31 December 2007.



SAFETY IS OUR NUMBER ONE PRIORITY

Air travel is the safest form of mass transportation, and it is getting safer every year.

In 2005, the hull loss rate continued its seven-year decline, with a rate of 0.76 per million sectors flown. IATA member airlines, which account for 94% of all scheduled international traffic, surpassed that remarkable result with a 0.35 accident rate per million sectors.

There was, however, an increase in fatalities in 2005. Overall, there has been a 42% improvement in the accident rate over the past 10 years. The industry has set a goal of further reducing the accident rate to 0.65 by the end of 2006.

IOSA, launched in 2003, is the first and only global standard for airline operational safety management. It is an internationally recognised evaluation system that is a cornerstone of the industry's drive to enhance safety.

IOSA is designed to assess the operational management and control systems of an airline.

The IOSA Programme itself has been audited under the

provisions of ISO 9001:2000, underlining the principles by which IOSA is managed.

IOSA is becoming a condition of membership. From 2006 onward, any airline wishing to join IATA must first successfully complete an IOSA audit.

And all existing IATA members will have to undergo an IOSA audit by the end of 2007 to retain their membership.

As of 1 April 2006, 52% of IATA members have either been audited or have contractually committed to undertake an audit.

There are many initiatives underway worldwide to enhance aviation safety. Blacklists, for example, are one approach being used in the EU. While they do play a role in deterring the practice of registering under flags of convenience, blacklists do nothing directly to improve safety. They are reactive and punitive.

IATA is promoting the use of IOSA with governments as a proactive and effective tool that provides transparent criteria to gauge airline safety levels. IATA has offered nations full access to IOSA audit reports to enhance and help focus

their oversight activities. The EU Aviation Safety Committee, when determining its safety oversight programmes, should take IOSA audit reports into account.

Governments around the world are being urged to use IOSA in their certification processes. In March 2006, Chile became the first country to announce that it is making IOSA a component of its airline licensing process. Other countries considering this include Madagascar, Jordan, Bahrain, Egypt, Turkey, Mexico, and Ethiopia.

IOSA is complementary to most regulatory authority oversight since its standards were developed using International Civil Aviation Organisation (ICAO) annexes and industry best practices.

(source: IATA Annual Report 2006)



Quality & Safety Newsletter is published periodically by Dubrovnik Airline Quality & Safety Department.

Articles and letters with comments and suggestions are invited. Address correspondence related to articles in this issue to Dubrovnik Airline Quality & Safety Department.

Contact e-mail:
marko.marunic@dubrovnikairline.com

Every effort is made to assure that information provided is accurate. However, specialist advice should always be sought in relation to any particular circumstances. Dubrovnik Airline Ltd expressly disclaims any liability to any person in respect of anything done or omitted, and the consequences of it, by any such person in reliance on the contents of this publication.