

April 22, 2015

Papillon Airways, Inc.

On January 1, 2014 at approximately 15:20 hours, Papillon Helicopters experienced an accident on a post maintenance operational flight with an EC130 helicopter, registration N133GC. The aircraft was being operated under part 91, sky conditions were clear and weather was not a factor. Only the pilot was on board and there were no injuries sustained.

The pilot of the helicopter was Shayla Smith, a certified flight instructor with 2,157 hours total time and 537 hours in the EC130 helicopter. Ms. Smith has been an employee of Papillon since March 2012, currently holding the position of Lead Pilot and she was fully trained to perform the task assigned.

Ms. Smith was removed from flight status while the NTSB, FAA, and Papillon conducted a full investigation as to the cause of this accident. Prior to release back to her normal duties Ms. Smith received a training flight and company post-accident evaluation by a company check airman that she successfully completed. Below is a list of corrective actions that Papillon has taken to prevent this accident from occurring again in the future.

The President of Papillon Helicopters (Brenda Halvorson) led a two week internal investigation of all departments to determine the root cause of this accident. During the investigation Ms. Halvorson **self imposed** a 100% safety stand down, grounding the entire fleet of Nevada based aircraft (23 helicopters) while an internal safety compliance inspection was conducted. Ms Halvorson appointed her DOM and longest tenured maintenance inspectors to complete the audit to ensure there were no discrepancies. Further instruction was given to address any outstanding MEL's prior to returning aircraft to flight. There was no time limit set. The self imposed

safety stand down and internal compliance inspection took approximately two weeks to complete.

In response to findings from the internal investigation, Ms Halvorson and her executive team (along with guidance from the FAA) developed the following action plan to address and prevent such contributing factors from recurring.

- 1- The mechanic, mechanic helper and inspector responsible for the oversight which led to the accident were immediately terminated from employment due to negligence and failure to follow published procedures.
- 2- American Eurocopter now Airbus Helicopters was contracted to perform a one week "On Site Field Maintenance Training Course" for 12 mechanics and inspectors at our Boulder City facility. Additionally we sent 1 inspector and 2 technicians to Eurocopter for a two week "AS350B3 Airframe Field Maintenance Course" and 3 inspectors to a two week "EC130 Airframe Field Maintenance Training Course".
- 3- Grey Owl Aviation was contracted to perform a two-day "Initial Phase I Human Factors Workshops for Aviation Managers, Technicians and Support Staff" in both Nevada and Arizona for 30 mechanics and inspectors.
- 4- Two new dedicated Maintenance Test Pilot positions were created reporting directly to the DO. Both positions have been filled by experienced pilots with US Army Aviation backgrounds. Both hold A&P licenses and have been former aircraft inspectors. One has recently come from Task Force 160 as an aviation maintenance officer. Both pilots attended the "EC130 Maintenance Flight Procedures Course" January 27-29, the "AS350B3E Maintenance Flight Procedures Course" February 11-13 and the "EC130 Airframe Field Maintenance Course" February 17-28.
- 5- A new Maintenance Training Manager position was created reporting directly to the DOM. We are actively looking to fill the position. This manager will be responsible for reviewing the current maintenance training program, updating that program to meet the growing needs of the company and insuring that all initial and recurrent training for both mechanics and inspectors is completed.

- 6- A new dedicated maintenance training room along with two training offices were constructed to be used specifically for the continuous education of our maintenance department.
- 7- A “spare aircraft” was introduced to the daily schedule to alleviate additional pressure on the maintenance department in times of unscheduled maintenance.
- 8- As a "Best Practices" procedure, Papillon has put into policy that company mechanics can no longer serve simultaneously as Maintenance Test Pilots, regardless of their certifications, due to potential conflict of interests. Maintenance Test Pilots are required to have a strong aviation background and preferably hold an A&P license.
- 9- The organizational chart of the maintenance department has been restructured with the DOM of our 135 certificate no longer serving simultaneously as the Accountable Manager for our 145 certificate. We have assigned a new Accountable Manager for the 145 certificate who answers directly to the President of the company. In addition a new Chief Inspector has been hired to assist the Director of Maintenance on the 135 certificate.
- 10- ARSA (Aeronautical Repair Station Association) was contracted Feb 4th to conduct an external audit of 14CFR part 135 and 145 manuals and forms for regulatory sufficiency, internal consistency and clarity. The audit is ongoing and should be completed by March 14th.
- 11- A new two day course of instruction covering "Quality Control and Regulatory Compliance" has been developed. This training standardizes all maintenance procedures to the 145 performance standards. Fourteen technicians have been certified thus far.
- 12- A thirty-hour "Inspector Training Course" was created to supplement the standard OJT (on the job training) and includes prerequisites of, "Quality Control & Regulatory Compliance Course" along with a two week “Factory Training Course for Airframe,” and a minimum one day “Management Skills Course”.
- 13- Fifteen additional items have been added to our standard "Post Inspection Checklist."

In addition to the above, Papillon continues to focus on fleet standardization in an effort to ease pressure on maintenance and ensure safe operational tempo. Since the events of January 1st we have removed all Bell 407's from the fleet and have replaced them with the AS35B3e for better fleet commonality and ease of maintenance. Papillon will continue work to standardize the fleet system wide.

If you have any further questions or would like any documentation please feel free to contact me directly.

Respectfully,

John E. Becker
COO/Director of Operations
Papillon Airways, Inc.