

THE DAILY CALLER

Air Traffic Control: Ripe For Reform

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Two decades ago, the Clinton administration proposed restructuring our air traffic control (ATC) system. The idea was to create a self-funded outfit separate from the Federal Aviation Administration (FAA). The problem was that “The FAA has been a big, bungling bureaucracy,” noted the spokesman for the controllers’ union in 1994.

The Clinton reform stalled, but this year ATC reform is back on the agenda. The FAA needs to be reauthorized by the end of March, and House Transportation Committee chairman Bill Shuster (R-PA) has just introduced a major restructuring bill. The bill would move America’s ATC out of the FAA and into a self-funded non-profit organization.

Our ATC system is ripe for reform. The FAA is still a bungling bureaucracy, and it is overbudget and behind schedule on major technology upgrade projects. Experts fear the agency won’t be able to keep up with rising aviation demands.

In response to a critical auditor’s report on the FAA in January, Shuster argued for a major overhaul:

Over two decades of FAA personnel, organizational, and acquisition reforms have failed to slow the agency’s cost growth, improve its productivity, or improve its performance in modernizing the system. The FAA remains a vast government bureaucracy, not a high-tech service provider... we need transformational FAA reform if we are going to have a safe, efficient, 21st century aviation system.

The “transformational” reform that Shuster is pursuing is similar to the successful privatization of Canada’s air traffic control system. In 1996 Canada moved its ATC into the self-funded nonprofit corporation, Nav Canada. Today Nav Canada runs one of the safest systems in the world, and it has won three International Air Transport Association (IATA) Eagle Awards as the world’s best ATC provider.

Nav Canada is a “global leader in delivering top-class performance,” says the IATA. The system is efficient and unsubsidized. Writing for the Brookings Institution, economist Dorothy Robyn says that Nav Canada is handling 50 percent more traffic now than before privatization, but with 30 percent fewer employees.

The Canadian system is also a leader in developing new technologies. According to Nav Canada’s former chairman, the company has “sold and installed our home-grown technology around the world from Australia to Hong Kong to Dubai, and all over the UK and Europe.”

Having a technologically advanced ATC system is crucial for America. Our airspace is getting crowded, and our antiquated ATC is causing delays, wasting fuel, and generating unneeded pollution. Transitioning to new technologies such as GPS would increase safety, while expanding airspace capacity and saving fuel by allowing aircraft to fly more direct routes.

There is opposition to ATC reform, but one positive sign is that the National Air Traffic Controllers Association seems to be on board with major changes. In Senate hearings in 2015, the head of the union, Paul Rinaldi, described some of Canada's advantages:

... they actually are developing probably the best equipment out there, and they are selling it around the world. And they are doing it in a 30-month to three-year time frame, when we have to look much longer down the road because of our procurement process in this country.

It may seem odd that a labor union is supportive of major government restructuring. But the controllers are concerned that our ATC system is not receiving the steady funding, expert leadership, or advanced technology that is needed. A self-funded system would create more financial stability than the current system, which is buffeted by sometimes chaotic federal budget battles.

If President Obama wants a lasting pro-growth reform to put in place his last year, he should work with Shuster to make ATC restructuring happen. The administration might note that ATC privatization in Canada in 1996 and Britain in 2000 were under left-of-center governments. So this should not be an ideological or partisan issue. It is a question about what works, and we now know that privatization works extremely well.

In a recent *Wall Street Journal* interview, the head of Nav Canada, John Crichton, said, "This business of ours has evolved long past the time when government should be in it ... Governments are not suited to run ... dynamic, high-tech, 24-hour businesses." The Canadians are right — it's time to privatize our air traffic control system.

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