

Air Traffic Control System Reform Introduced in House

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The chairman of the House Transportation and Infrastructure Committee introduced legislation Wednesday that would reform air traffic control by establishing an independent, non-profit corporation to modernize and provide the service outside of the federal government.

“The bill lets the [Federal Aviation Administration] do what it does best—focus on the safety of U.S. air transportation—but it stops assuming that a government bureaucracy can act like a Silicon Valley company,” said Rep. Bill Shuster (R., Penn.), who introduced the bill with Rep. Frank LoBiondo (R., N.J.). “The AIRR Act establishes a federally chartered, fully independent, not-for-profit corporation to modernize and provide [air traffic control] services.”

Currently, the Federal Aviation Administration runs the nation’s air traffic control system and many experts have been critical of its bureaucratic structure.

Dorothy Robyn, a senior policy expert in both the Clinton and Obama administrations, notes that the agency relied on old technology and was inefficient in its efforts to modernize, which has hampered improvements in safety and capacity.

“When the FAA undertook air traffic control modernization in 1981, it estimated that the work would cost \$12 billion and take a decade to complete,” said Robyn. “Thirty-four years and \$56 billion later, the FAA has still not been able to achieve large-scale modernization; most of that money has gone to replace and upgrade existing equipment, yielding only incremental improvements in capacity and safety.”

In addition to these problems, Chris Edwards, a policy expert at the Cato Institute, said that the Government Accountability Office and other experts had long criticized the agency for cost overruns and general mismanagement.

“Now an obvious thing about air traffic control is that it is a high-tech industry that serves the commercial needs of the airline and general aviation, so when you think about high tech

industries you think about companies that are very flexible and innovative,” Edwards said. “Those are not the words you think about when you think about federal bureaucracies.”

“The air traffic control system is a 24-7 high-tech service business trapped in a command and control regulatory agency that is burdened by government procurement rules, by a financing system which doesn’t allow for capital budgeting, and micromanaged by you guys, by Congress,” Robyn said. “That is a fundamental cultural mismatch between the business-like nature of this high-tech activity and the place it is being done.”

The proposal that Rep. Shuster is putting forth is similar to the privatization of Canada’s air traffic control system. The self-funded nonprofit corporation is called Nav Canada and is not only one of the safest systems in the world, but according to Robyn’s research, is much more efficient, handling 50 percent more traffic with 30 percent fewer employees.

“Like any private business, it raises revenues from its customers to cover its operational costs and capital investments,” explains Edwards. “As a private company with a monopoly, there would be concern that the costs and charges of a privatized FAA would rise excessively. But that has not happened in Canada. Indeed, Nav Canada’s customer charges have actually risen more slowly than inflation over the past decade.”

Edwards notes that this privatized corporation was born out of a left-of-center government so it should not be seen as an ideological or partisan issue, but should be about what solves the problem the best.

“The good news is that reforms in other countries showed us that there is another way to run air traffic control rather than through an old fashioned government bureaucracy,” he said. “I think experience internationally has shown that privatizing air traffic control can certainly work very well.”