



Trump should seize aviation opportunity

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President Donald Trump promised a \$1 trillion infrastructure plan, but his biggest infrastructure opportunity this year has nothing to do with new spending. His predecessor signed a \$305 billion highway bill that runs through 2020, and it is unlikely that Congress will pass another such budget buster anytime soon.

Instead, the big opportunity this year is reforming our antiquated air traffic control (ATC) system, which is run by the Federal Aviation Administration (FAA). The skies are getting more crowded, but the FAA's effort to meet rising aviation demand through its Next Gen program is far behind schedule.

The problem is that ATC is a high-technology industry, but we are running it as an old-fashioned bureaucracy. Other nations have modernized their ATC systems by moving them to the private sector. In 1996, for example, Canada moved its ATC to a private nonprofit corporation, Nav Canada.

Canada's reform has been a big success, and it was the model for an ATC restructuring bill passed by the House Transportation and Infrastructure Committee last year under chairman Bill Shuster (R-Pa.). The big question this year is whether the full House and Senate will embrace Shuster's reform. Current FAA funding only runs through September, so Congress will need to act.

The Trump administration has a chance to lead on this crucial reform, and the likely Secretary of Transportation, Elaine Chao, will play a key role. In Chao's confirmation hearing in front of the Senate Commerce, Science, and Transportation Committee, chairman John Thune (R-S.D.) said, "The reason that there's been such a discussion about FAA and reform is because the benefits of NextGen have not been realized ... You've indicated an open mind about how to proceed. I have an open mind to."

If Chao and Thune have open minds, they will likely embrace Canadian-style reforms. Nav Canada has won three International Air Transport Association Eagle Awards as the world's best

ATC provider. The association says Nav Canada is a “global leader in delivering top-class performance.” That is the type of system we need in America.

The Canadian ATC system is handling 50 percent more traffic than before privatization, but with 30 percent fewer employees. It is at the forefront of new ATC technologies, and it is selling its innovations around the world. Nav Canada funds its operations and capital investments from user charges, not taxpayer subsidies.

U.S. policymakers have some legitimate concerns about such reforms. Nav Canada is a private monopoly, and so it might be feared that its user charges would rise excessively. But that has not happened: Nav Canada’s real customer charges have fallen by one-third over the past decade as efficiency has increased.

Another concern regards the safety of a private ATC system. But the record here is also clear: Nav Canada runs one of the safest ATC systems in the world. It reports its safety metrics regularly, and the data show substantial improvements since privatization.

Actually, when it comes to safety, policymakers should be more concerned about the U.S. system. The FAA both operates our ATC system and oversees aviation safety, which creates an incentive to cover up problems. The solution is to move ATC operations outside of the central government and retain aviation oversight in the FAA. That sort of separation is recommended by the International Civil Aviation Organization.

Some special-interest groups oppose major ATC reforms, but once the incoming administration studies the Shuster plan and looks at the Canadian success, it will realize the big opportunity here. Privatizing our ATC system would spur innovations that would shorten flight times, reduce airline delays, and lower fuel costs for the nation’s airline and general aviation industries.

In a 2015 interview, the head of Nav Canada, John Crichton, said that “governments are not suited to run ... dynamic, high-tech, 24-hour businesses” such as air traffic control. That is the type of common sense logic that our new business-minded president will understand.

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