Sequest-Air: Senate Bill Beats FAA Clumsy Sequestration Strategy

Emily Goff April 26, 2013

As "Sequest-air"—the political fight over the flight delays caused by the Federal Aviation Administration's (FAA) decision to furlough air traffic controllers—gained momentum yesterday, the Senate passed a bill that would do exactly what Congress and the Administration should have done all along: cut spending but prioritize where the cuts should occur.

S. 853, the "Reducing Flight Delays Act of 2013," would authorize Secretary of Transportation Ray LaHood to transfer up to $253 million from discretionary grants for airport improvement funding (or from any other account of the FAA) to fund FAA's operations. This would make further air traffic controller furloughs unnecessary and mean fewer control towers closing.

Whether Congress must specify this funding flexibility—or whether the FAA already has it—remains unclear. Though the FAA has insisted that the furloughs are unavoidable as part of its plan to cut $600 million from its remaining fiscal year 2013 budget, it has not explained why.

Perhaps, though, as House Transportation and Infrastructure Committee chairman Bill Shuster (R–PA) points out, the FAA could have stopped "treating Chicago, that has 8,000 flights a day, the same as they're treating Waterloo, Iowa, that has 80 flights a day" and implemented the furloughs in line with actual air traffic demand. Evidently, such no-brainers are just too hard for Secretary LaHood and the FAA without explicit congressional permission.

The Administration and FAA had months upon months to specify where funding was absolutely crucial and to propose where it could cut to pay for it. But before the furloughs began on April 21, the Obama Administration had let the furloughs and subsequent flight delays build into a finger-pointing maelstrom.

Thankfully for taxpayers and air travelers alike, the Senate—and the House, which passed its own version (H.R. 1765) of the legislation today—has shown leadership by setting spending priorities.

What Congress should avoid, however, is legislation that would increase spending—however small—over the traditional 10-year budget window. Avoiding cuts to salaries and similar expenses for air traffic controllers would mean that money would go out the door more quickly than if it were spent through airport improvement grants. FAA management should avoid any net spending increase by reducing other areas of its budget, such as conference expenses, or by pursuing any of the $1.2 billion in savings that Senator Tom Coburn (R–OK) detailed in a March 6 letter to LaHood.

The Senate and House bills address the present grandstanding predicament but do nothing to fix persistent inefficiencies and cost overruns at the FAA. Lawmakers should next examine ways to deliver these savings more efficiently and cost effectively. For example, they could pursue privatization of the nation's air traffic control system. Canada did this in 1996, and its reforms could serve as a blueprint for Congress. Chris Edwards of the Cato Institute explains:

> Like any private business, [Nav Canada] raises revenues from its customers to cover its operational costs and capital investments. The company's financial statements for 2012 show revenues and expenses of $1.2 billion, with $125 million allocated to capital expenditures. Unlike the U.S. system, Nav Canada is self-supporting and not subsidized.

Nav Canada's safety record has not been compromised in the process, either. Congress could implement a similar plan for our air traffic control system, thus freeing it from politics and budgetary pressures, enabling it to modernize its technology efficiently and ensuring that top-notch safety for the traveling public remains the norm.

But for now, the Senate bill is a good step toward making good on necessary budget cuts—but doing it in a more targeted, responsible way.