Earthbound Misfit: The Case For Privatizing Air Traffic Control

By “Coach Vance” Trefethen

***"Resolved: The United States federal government should substantially reform its transportation policy."***

The U.S. air traffic control (ATC) system is key to the safety and efficient functioning of the nation's air travel. Both are jeopardized as the Federal Aviation Administration (FAA) owns and operates an antiquated, inefficient system with resistance to change and continuous problems with congressional budgeting.

There's got to be a better way, and there is. It's the way the rest of the major industrialized countries have already done their ATC: privatize and outsource it away from government control. The best model is Canada, where a non profit organization, NavCanada, was set up to take over the ATC infrastructure from the government. NavCanada operates its ATC system at the same or higher safety level as the FAA, and at lower cost. They also have more advanced technology than the US has, because privatization has allowed more stable funding and capital improvements that FAA cannot afford.

Negatives will argue that the Canadian model is not comparable to the US system due to the much larger size and complexity of US airspace. NavCanada (and other similar privatization schemes, like Britain) are not the great model of success they are made out to be. Costs actually went up and taxpayers had to bail them out. The status quo ATC system isn't broken, so we shouldn't try to fix it, particularly with a new system that will only make things worse.https://ssl.gstatic.com/ui/v1/icons/mail/images/cleardot.gif

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Earthbound Misfit: The Case For Privatizing Air Traffic Control

The U.S. Air Traffic Control, or ATC, system is obsolete and inefficient, while Canada’s system runs more efficiently with better technology at lower cost. Please join us as we affirm that: The United States federal government should substantially reform its transportation policy.

OBSERVATION 1. We offer the following DEFINITIONS.

**Policy**: “a high-level overall plan embracing the general goals and acceptable procedures especially of a governmental body” (*Merriam Webster Online Dictionary, copyright 2017* [*http://www.merriam-webster.com/dictionary/policy*](http://www.merriam-webster.com/dictionary/policy))  
  
**Substantial**: “considerable in quantity” (*Merriam Webster Online Dictionary, copyright 2017* [*http://www.merriam-webster.com/dictionary/substantially*](http://www.merriam-webster.com/dictionary/substantially)*)*

**Transportation**: “means of conveyance or travel from one place to another” (*Merriam-Webster Online Dict. 2017* [*https://www.merriam-webster.com/dictionary/transportation*](https://www.merriam-webster.com/dictionary/transportation)*)*

OBSERVATION 2. INHERENCY, the structure of the Status Quo.

FACT 1. Unstable funding.

Congressional funding process disrupts the US air traffic control system

NICHOLAS E. CALIO 2014. (PRESIDENT AND CEO, AIRLINES FOR AMERICA, airline trade association) Statement before the HOUSE OF REPRESENTATIVES COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE, NOV. 18, 2014 FAA REAUTHORIZATION: ISSUES IN MODERNIZING AND OPERATING THE NATION’S AIRSPACE <http://airlines.org/wp-content/uploads/2014/11/Calio-Written-Testimony-FAA-Reauthorization-Hearing-11-18-14.pdf>

 From a funding perspective, it does not make sense to fund a long-term capital budget through an annual appropriations process. In today’s budget environment, relying on annual appropriations creates significant uncertainty on the part of users as to when the FAA will actually have various NextGen capabilities in place. Annual budget allocations, subject to annual cuts and policy changes, frequently assures that planned new ATC technologies will be obsolete by the time they are operational. It also needlessly subjects our ATC system to disruption caused by budget battles on Capitol Hill, as evidenced in April 2013 following the sequester-driven air traffic controller furloughs and the partial-shutdown of the agency in August 2011. The FAA’s Management Advisory Council, an 11-member board that advises the agency, sent a letter to congressional transportation policy leaders on Aug. 2, 2013, stating that sequester cuts to the FAA’s budget underscored “the need to reform the policy, funding and governance structure of the FAA.”

FACT 2. FAA Mismanagement

Systemic organization failure blocks new technologies and wastes money

Robert W. Poole 2017 (serves on the National Aviation Studies Advisory Panel of the Government Accountability Office; Director of Transportation Policy and Searle Freedom Trust Transportation Fellow, Reason Foundation; two engineering degrees from M.I.T.)23 May 2017 Air Traffic Control Newsletter #143 <http://reason.org/news/show/air-traffic-control-newsletter-143> (brackets added)

[Dept. of Transportation Inspector General Clavin] Scovel's first major point was that the reforms Congress enacted in 1995 and 1996—personnel, acquisition, and organizational (creating the ATO)—for the most part "have not achieved the expected outcomes," though he cites some small successes (such as saving over $2 billion over 13 years by outsourcing Flight Service Stations). FAA's procurement process is still a nightmare, the FAA budget has grown by 95% between 1996 and 2015, and there has been no overall gain in ATC productivity—in fact, the unit cost of ATC services has increased 71% since 1997. Second, "management problems continue to hinder FAA's efforts to deliver new technologies and major acquisitions." Far from being idiosyncratic, the schedule delays and cost overruns stem from systemic issues, built into the organizational culture.

OBSERVATION 3. The HARMS

HARM 1. Technology delayed

1. The Link: FAA falls far behind Canada’s privatized system in the rollout of advanced technology

Robert W. Poole 2017 (serves on the National Aviation Studies Advisory Panel of the Government Accountability Office; Director of Transportation Policy and Searle Freedom Trust Transportation Fellow, Reason Foundation; two engineering degrees from M.I.T.) 23 May 2017 “Air Traffic Control Newsletter #143” <http://reason.org/news/show/air-traffic-control-newsletter-143>

Also singled out for attention is FAA's long-delayed introduction of electronic flight strips (which Nav Canada has had in use for 15 years). In typical FAA fashion, last year it awarded a contract for Terminal Flight Data Manager, under which the contractor has three years to finalize the design and then eight years to deliver the product to just 89 of the busiest airport control towers. So 11 years from now, just 89 of FAA's hundreds of ATC facilities will finally have a capability that all Nav Canada facilities had more than a decade ago.

1. The Impact: Safety and System Crash. Reform is needed to improve safety and prevent the system from coming to its knees

THE ECONOMIST 2016 (respected British news magazine, does not give name of individual authors) “Antiquated air traffic control systems are becoming a serious threat to safety” 10 Aug 2016 <http://www.economist.com/news/science-and-technology/21703477-americas-antiquated-air-traffic-control-system-hindering-safety-sky-navigating>

The International Civil Aviation Organisation, the UN agency that oversees worldwide aviation standards, has urged all 191 of its member countries to extricate their air-traffic control from government bureaucracy and political micromanagement—so they can manage the explosive growth in air travel with greater safety and effectiveness. America remains the biggest holdout. It is not that its airlines have balked at the proposal. Practically all are on board. So, encouragingly, are the unions—which have reversed their position since ATC liberalisation was first mooted back in the 1980s. Insiders are aware that things simply cannot carry on as they are. The number of passengers flying around the world each year is expected to double, to 6.4 billion, by 2030. In America, this is happening as a staffing crisis threatens to bring the country’s ATC system to its knees.

HARM 2. Billions wasted

Current policies waste billions of dollars

Rep. Bill Shuster 2017 (R-Penn.) “The Need to Reform FAA and Air Traffic Control to Build a 21st Century Aviation System for America” 17 May 2017 statement before the House Committee on Transportation and Infrastructure <https://transportation.house.gov/calendar/eventsingle.aspx?EventID=401374>

The way America travels, moves goods, and conducts business today depends on an efficient transportation network. In order to remain competitive, we need a 21st century infrastructure with modern, 21st century technology. This is especially true for our aviation system, but the fact is the FAA’s infrastructure is increasingly obsolete, and its technology is still cemented in the last century. As a result, shocking amounts of tax dollars and time have been wasted over the last 35 years.

**END QUOTE. Shuster quantifies later in the same context QUOTE:**

But the bottom line is: there should be far more progress by now. Money has never been the problem -- Congress has provided more than $7.4 billion dollars for NextGen since 2004. Results are the problem. According to the FAA’s own calculations, the return on the taxpayers’ $7.4 billion investment has only been about $2 billion in benefits. And we’ve still got a long way to go.

HARM 3. Travel Delays

1. The Link: Technology delays mean travel delays

Dr. Joshua L. Schank 2014. (Ph.D. in urban planning from Columbia Univ; President and CEO of the Eno Center for Transportation, a non-profit foundation; has worked on federal and state transportation policy over a decade; formerly directed the National Transportation Policy Project at the Bipartisan Policy Center) 15 Dec 2014 Why Our Largest Metropolitan Areas Should Care About Air Traffic Control Reform <http://cityminded.org/largest-metropolitan-areas-care-air-traffic-control-reform-12163>

 As a result of these changes, the aviation delays and capacity issues are going to be much greater at large hubs in the biggest urban areas. Most of these areas cannot afford or are unable to find land to expand aviation capacity. For example in the New York region, which has some of the most congested airports in the country, there is simply no room for new runways without severe environmental or political consequences. The greatest opportunity to expand the capacity of the aviation system in these large urban areas will be through technological upgrades. Satellite-based technology can help reduce fuel consumption by enabling more direct routes, improve safety by providing pilots and controllers with a better picture of what is happening in the skies, and expand capacity by enabling shorter distances between aircraft. In some urban areas, this is the only way to expand capacity.  
The Path Forward  
These critical improvements to airspace are unlikely to occur without significant reform of the funding and governance structure of our air traffic control system.

B. The Impact: Economic loss

NICHOLAS E. CALIO 2014. (PRESIDENT AND CEO, AIRLINES FOR AMERICA, airline trade association) Statement BEFORE THE HOUSE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE, NOV. 18, 2014 FAA REAUTHORIZATION: ISSUES IN MODERNIZING AND OPERATING THE NATION’S AIRSPACE <http://airlines.org/wp-content/uploads/2014/11/Calio-Written-Testimony-FAA-Reauthorization-Hearing-11-18-14.pdf>

 In 2010, the FAA’s National Center of Excellence for Aviation Operations Research (NEXTOR) completed a comprehensive study of the costs and effects of flight delays in the United States. It estimated that the annual cost of flight delays for our nation’s economy was nearly $33 billion. An astounding $16.7 billion of that amount is attributable to economic losses that passengers suffer because of delays.

OBSERVATION 4. We offer the following PLAN implemented by Congress and the President

1. Congress amends Section 103(e) of the Federal Aviation Act of 1958 by passing Title 2 of HR4441, the Aviation Innovation, Reform, and Reauthorization Act or AIRR, to create a Canadian-model federally-chartered non-profit corporation to manage the U.S. air traffic control system.  
2. Funding through airport user fees and the federal Airport & Airway Trust Fund. Existing air traffic taxes and expenditures are canceled from the federal budget upon transition to the new system.  
3. Bill is enacted the day after an Affirmative ballot and all rollout dates in the original legislation are advanced 3 years to account for the difference between when the bill was proposed and the date of the AFF ballot. Privatization to be finalized on Oct 1, 2022.  
4. Enforcement through the FAA and all safety regulations continue to be under FAA oversight.  
5. Affirmative speeches may clarify

OBSERVATION 5. ADVANTAGES

ADVANTAGE 1. Modernization achieved.

Marc Scribner 2016 (senior fellow at the Competitive Enterprise Institute) 9 Feb 2016 Air Traffic Control Reform: FAQ <https://cei.org/content/air-traffic-control-reform-faq>

The air traffic control reforms contained in the Aviation Innovation, Reform, and Reauthorization (AIRR) Act (H.R. 4441), recently introduced by the chairman of the Committee on Transportation and Infrastructure, Rep. Bill Shuster (R-Pa.), comprise the most significant aviation reform since the Airline Deregulation Act of 1978. The AIRR Act offers a unique opportunity to implement a badly needed modernization of America’s air traffic control system. Congress and the administration should seize it. The United States is the last developed country in the world to provide air navigation services via its national aviation safety regulator. Others have at the very least separated air traffic control into an independent government agency, while many have opted for transferring duties to nonprofit corporations. There is even one rate-regulated, for-profit, air navigation service provider in the United Kingdom. To date, one of the most successful models is offered by Nav Canada, a nonprofit corporation created in 1995 that took control of Canada’s air traffic control system the following year. The ATC Corporation that would be created by the AIRR Act is modeled on Nav Canada.

ADVANTAGE 2. Funding and technology failures solved

Dr. Joshua L. Schank 2014. (Ph.D. in urban planning from Columbia Univ; President and CEO of the Eno Center for Transportation, a non-profit foundation; formerly directed the National Transportation Policy Project at the Bipartisan Policy Center) 15 Dec 2014 Why Our Largest Metropolitan Areas Should Care About Air Traffic Control Reform <http://cityminded.org/largest-metropolitan-areas-care-air-traffic-control-reform-12163>

Most other developed nations have separated their air traffic control operations from their safety regulation, and the operators are typically removed from the government to some degree. In some countries this means that a government corporation operates air traffic control; in others a nonprofit or for-profit corporation operates it. Both of these scenarios would accomplish two key objectives if implemented in the U.S. – they would remove air traffic control from the appropriations process and they would also accelerate technological upgrades.

2A Evidence: Air Traffic Control

DEFINITIONS & BACKGROUND

Summary of HR4441

Congressional Budget Office 2016 (non-partisan agency of Congress that studies the effects of legislation) “H.R. 4441, Aviation Innovation, Reform, and Reauthorization Act of 2016” 9 March 2016 <https://www.cbo.gov/publication/51362>

H.R. 4441 would establish a federally chartered, not-for-profit corporation (known as the ATC Corporation) to assume responsibility for operating the U.S. air traffic control system, a function currently performed by the Federal Aviation Administration (FAA). The proposed corporation would be governed by an 11-member board of directors composed of individuals representing certain aviation stakeholder groups. To finance the costs of providing air traffic services, the bill would authorize the corporation to charge fees to users of such services and to issue debt.

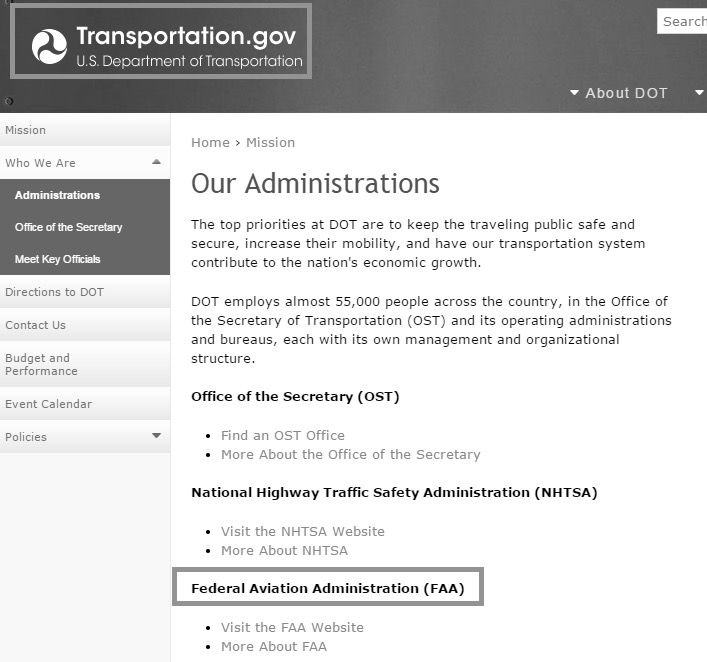
U.S. Air Traffic Control has $10 billion and 28,000 personnel

Reuters news service 2017. 16 Mar 2017 “President Trump’s Budget Calls for Privatizing America’s Air Traffic Control” <http://fortune.com/2017/03/16/trump-budget-air-traffic-control-privatize/>

The FAA handles more than 50,000 flights a day and more than 700 million passengers each year. It spends nearly $10 billion a year on air traffic control funded largely through passenger user fees, and has about 28,000 air traffic control personnel.

FAA is part of the US Dept of Transportation

US Dept of Transportation official web page, last updated 2 Feb 2017 <https://www.transportation.gov/administrations>



SOURCE INDICTMENT

FAA Managers Association (FAAMA)

Robert W. Poole 2017 (serves on the National Aviation Studies Advisory Panel of the Government Accountability Office; Director of Transportation Policy and Searle Freedom Trust Transportation Fellow, Reason Foundation; two engineering degrees from M.I.T.)23 May 2017 Air Traffic Control Newsletter #143 <http://reason.org/news/show/air-traffic-control-newsletter-143> (ellipses and brackets in original)

Two days before the May 17th House Transportation & Infrastructure Committee hearing on ATC reform, the FAA Managers Association (FAAMA) issued a public statement attacking ATC corporatization in inflammatory terms. As if reading from the NBAA playbook, they attacked it as a "transfer of this national treasure to a corporation dominated by the airlines." The statement stressed that the emergency grounding of planes after the 9/11 attacks was handled by "government controllers, government managers, government employees who were on duty that fateful day . . ."—totally ignoring that most of the flights headed to or from Europe were safely and efficiently brought to safe landings in Canada by the dedicated employees of private, nonprofit Nav Canada. The give-away comes further into the piece, which says FAAMA opposes "privatization" because it is a bad deal for the flying public [no reason given], a bad deal for national security [no explanation], a bad deal for the taxpayer [no explanation], "and it is a bad deal for our members." Now we're getting somewhere. AAMA represents several thousand "front-line supervisors" within FAA, not senior managers. They constitute a significant portion of what NATCA president Paul Rinaldi (at the May 17 hearing) called "the clay" within FAA—the bureaucratic mass that prevents timely decision-making and implementation.

INHERENCY

Congress blocks privatization of ATC

Dan Reed 2017 (journalist, 35 year’s experience covering the airline industry) “Another Opportunity For Congress To Privatize Air Traffic Control” 27 Feb 2017 FORBES magazine <https://www.forbes.com/sites/danielreed/2017/02/27/another-bite-at-the-apple-another-opportunity-for-congress-to-privatize-air-traffic-control/2/#4b7b5e453ecd>

You can start by counting a majority in Congress among the unconvinced. Our federal lawmakers repeatedly have chosen over the last two decades NOT to pass – or even to a vote on – proposed laws that would have spun off the nation’s Air Traffic Control system from the FAA, either into a federally-chartered corporation or a private not-for-profit organization even though all such proposals would have continued strong oversight roles for the government.

A/T “NextGen is working” – NextGen is delayed and has significant risks

Robert W. Poole 2017 (serves on the National Aviation Studies Advisory Panel of the Government Accountability Office; Director of Transportation Policy and Searle Freedom Trust Transportation Fellow, Reason Foundation; two engineering degrees from M.I.T.)23 May 2017 Air Traffic Control Newsletter #143 <http://reason.org/news/show/air-traffic-control-newsletter-143> (brackets added)

Scovel agreed that FAA is making progress with some high-priority NextGen investments, especially the priorities recommended by the NextGen Advisory Committee (NAC). Yet even on those four priorities, "full implementation of [their] capabilities—and realization of benefits—remains years away. And, "significant risks remain that could impact implementation and slow delivery of benefits" in those four priority areas (which include both Performance Based Navigation and Data Comm).

A/T “NextGen is working” – FAA Administrator Michael Huerta’s defense of NextGen contains errors

Robert W. Poole 2017 (serves on the National Aviation Studies Advisory Panel of the Government Accountability Office; Director of Transportation Policy and Searle Freedom Trust Transportation Fellow, Reason Foundation; two engineering degrees from M.I.T.) 23 May 2017 “Air Traffic Control Newsletter #143” <http://reason.org/news/show/air-traffic-control-newsletter-143>

Many more details on these and related problems are provided in a lengthy letter to Chairman Thune from Airlines for America, dated May 16th. It appears to be intended as a corrective to the rosy picture painted by Administrator Huerta in his letter to Thune last winter. It argues that FAA:  
- Underestimates the cost of NextGen, which artificially inflates the benefit/cost ratio;  
- Redefines NextGen to include a number of projects that have never been part of it;  
- Masks the small portion of benefits that accrue to airlines by not breaking down benefits by sector;  
- Asserts that $2.7 billion in direct benefits have been delivered, when these are only the results from modeling, not measurement; and,  
- Counts fuel savings as benefits, but not system-wide traffic flow management benefits or dis-benefits, where delays have resulted from some of the changes.

Delivery of NextGen has been exaggerated. Real improvement requires changing the FAA organization

Robert W. Poole 2017 (serves on the National Aviation Studies Advisory Panel of the Government Accountability Office; Director of Transportation Policy and Searle Freedom Trust Transportation Fellow, Reason Foundation; two engineering degrees from M.I.T.) 23 May 2017 “Air Traffic Control Newsletter #143” <http://reason.org/news/show/air-traffic-control-newsletter-143>

As the National Research Council reported in 2015, what FAA now defines as NextGen is not the transformational vision with which this effort was launched and sold to Congress and the aviation industry. Instead, it has become largely a replacement of old facilities and equipment with newer versions—the same old same old. It will require organizational transformation to bring about anything resembling the original NextGen vision.

MINOR REPAIRS FAIL

Internal reforms won’t work: FAA bureaucracy actively sabotages reforms implemented by Congress

Dan Reed 2017 (journalist, 35 year’s experience covering the airline industry) “Another Opportunity For Congress To Privatize Air Traffic Control” 27 Feb 2017 FORBES magazine <https://www.forbes.com/sites/danielreed/2017/02/27/another-bite-at-the-apple-another-opportunity-for-congress-to-privatize-air-traffic-control/2/#4b7b5e453ecd>

In the February installment of the Reason Foundation’s *ATC Reform News* digital news latter, he relates an anecdote from an FAA insider about a FAA procurement system known as AMS. AMS was mandated by Congress in the late 1990s in order to give the agency greater flexibility in acquiring products and services more quickly. Perversely, the FAA’s bureaucracy responded to that mandate by building a whole new set of procurement rules from scratch with the result being an even slower, more cumbersome and more costly procurement system than the one Congress sought to bypass.

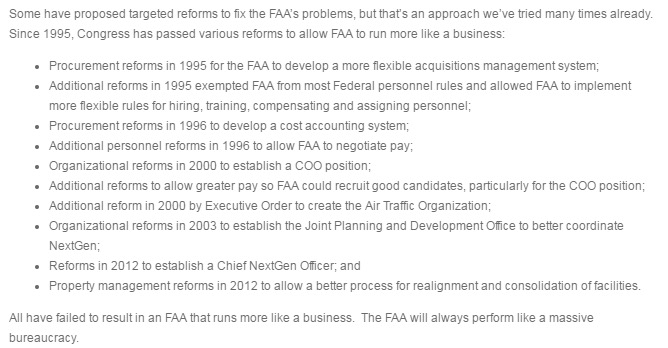
Minor Repairs won’t work: Bush and Clinton both tried to reform FAA air traffic control, but it didn’t work

Rep. Bill Shuster 2014. (R-Penn.; Chairman of the House Committee on Transportation & Infrastructure) Shuster and LoBiondo Opening Statements, Hearing on “FAA Reauthorization: Issues in Modernizing and Operating the Nation’s Airspace” November 18, 2014 <http://transportation.house.gov/calendar/eventsingle.aspx?EventID=398488>

 Since the Federal Aviation Administration (FAA) was created 56 years ago, there have been many attempts at reform. For instance, numerous advisory committees have made reform recommendations based upon input from aviation stakeholders. Both President Clinton and President Bush sought to reform the FAA in order to ensure the level of air traffic control service that Americans deserved. While each had varying degrees of success, neither was able to implement long lasting, transformative reform.

10 FAA internal reform policies have already been tried and failed

Rep. Bill Shuster 2017 (R-Penn.) “The Need to Reform FAA and Air Traffic Control to Build a 21st Century Aviation System for America” 17 May 2017 statement before the House Committee on Transportation and Infrastructure <https://transportation.house.gov/calendar/eventsingle.aspx?EventID=401374>



HARMS / SIGNIFICANCE

FAA faces tens of billions of dollars in excess costs under current policies

Rep. Bill Shuster 2017 (R-Penn.) “The Need to Reform FAA and Air Traffic Control to Build a 21st Century Aviation System for America” 17 May 2017 statement before the House Committee on Transportation and Infrastructure <https://transportation.house.gov/calendar/eventsingle.aspx?EventID=401374> (brackets and ellipses in original)

According to the DOT Inspector General in 2014, the projected initial costs for NextGen – $40 billion – could double or triple, and be delayed another decade. Over the years, the FAA has described NextGen as a “Transformation of America’s air transportation network” that “will forever redefine” how we manage the system. But in 2015, the National Research Council confirmed what was already becoming painfully clear. According to the NRC: the “original vision for NextGen is not what [was] being implemented.” It “…is not…broadly transformational.” And it is “not a fundamental change in the way FAA handles air traffic.” Only in the federal government would such a dismal record be considered a “success.”

FAA wastes billions of dollars and is incompetent at managing its programs

Rep. Bill Shuster 2014. (R-Penn.; Chairman of the House Committee on Transportation & Infrastructure) Shuster and LoBiondo Opening Statements, Hearing on “FAA Reauthorization: Issues in Modernizing and Operating the Nation’s Airspace” November 18, 2014 <http://transportation.house.gov/calendar/eventsingle.aspx?EventID=398488>

 In report after report, the Inspector General of the Department of Transportation (IG) – and the Government Accountability Office for that matter – has identified costly problems with the FAA’s management of air traffic control modernization programs. For example, in 1998, the IG found that in carrying out one modernization program, the FAA had wasted a billion dollars in taxpayer money. Sadly, the IG will testify today that this is not uncommon. He notes that of 15 major acquisitions that were ongoing as of September 2013, eight included acquisition cost increases amounting to $4.9 billion, and eight experienced delays. This waste is the result of the FAA’s inability to plan effectively and manage programs in a way that delivers reasonable, cost effective, and beneficial outcomes.

No air traffic control technology improvements since the 1960s in the United States. FAA resists new innovations

John Engler 2014 (former governor of Michigan; president of the Business Roundtable) Statement BEFORE THE UNITED STATES HOUSE OF REPRESENTATIVES COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE, NOV. 18, 2014 FAA REAUTHORIZATION: ISSUES IN MODERNIZING AND OPERATING THE NATION’S AIRSPACE <http://transportation.house.gov/uploadedfiles/2014-11-18-engler.pdf>

 Now compare that to what’s happened with air traffic control at FAA. In the 1960’s – 20 years before Randall Stephenson got his first job replacing data tapes – FAA was using a national network of ground-based radar combined with radio transmission from air traffic controllers who were monitoring that radar to control aircraft in the airspace immediately above them. Today, FAA relies on essentially the same technology – ground based-radar and voice radio transmission. A study published by the Hudson Institute early this year showed a strong status-quo bias within the air traffic organization at FAA — illustrated by slow progress on such innovations as controller-pilot data-link, global satellite-based aircraft surveillance, remote towers, and facility consolidation.

The Federal Aviation Administration is slow to adopt new technology

Dr. Joshua L. Schank 2014. (Ph.D. in urban planning from Columbia Univ; President and CEO of the Eno Center for Transportation, a non-profit foundation; has worked on federal and state transportation policy over a decade; formerly directed the National Transportation Policy Project at the Bipartisan Policy Center) 15 Dec 2014 Why Our Largest Metropolitan Areas Should Care About Air Traffic Control Reform <http://cityminded.org/largest-metropolitan-areas-care-air-traffic-control-reform-12163>

 But perhaps a bigger issue is related to technology. Much of the air traffic control system in this country is still operating based on cutting edge technology—from the 1940s (namely, radar). While we have the capability of transitioning to a much more effective satellite-based system, the process has been quite slow. Part of the reason for this is that the Federal Aviation Administration (FAA) is both the regulator and the operator of the air traffic control system, which creates an inherent conflict that slows technological upgrades. Other factors slowing implementation include inconsistent funding, the challenges of the government procurement process, and the inability to bond against future revenues

Funding problems cause air traffic delays – and it’s the method by which FAA is funded, not just the amount of funding

Paul Rinaldi 2014. (President of the National Air Traffic Controllers Association) testimony before the US House of Representatives Committee on Transportation & Infrastructure, 18 Nov 2014 <http://transportation.house.gov/uploadedfiles/2014-11-18-rinaldi.pdf>

Stop-and-go funding increases costs and creates delays for all modernization efforts. Specifically, the instability makes planning for complex modernization projects impossible: when trying to budget over multiple years, the FAA needs to know what to expect. In that regard, the threat of budget cuts can be as bad as the cuts themselves. Funding uncertainty has meant that the FAA has been unable to hire and train a sufficient number of new controllers for the past year, and funding uncertainty also led to the April 2013 furloughs, which resulted in severe delays nationwide. Even potential shutdowns, furloughs, and budget cuts are significant to the system.

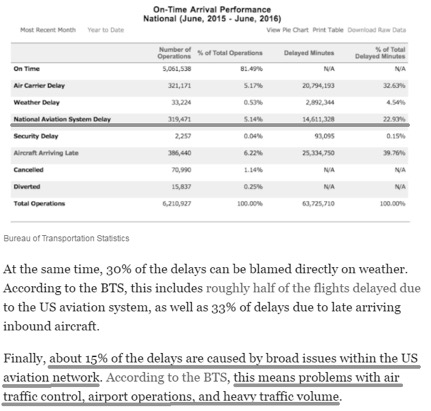
316,000 flights were delayed in 2015, caused by the FAA

BLOOMBERG news 2016 (journlaists Alan Levin and Michael Sasso) 23 Aug 20176 “The Weather Isn't the Biggest Cause of U.S. Flight Delays” <https://www.bloomberg.com/news/articles/2016-08-23/blame-the-airlines-not-the-weather-for-most-u-s-flight-delays> (FAA caused 6,770 less than 323,454 flight delays= approx. 316,000)

The 323,454 flights delayed last year due to the airlines exceeded the number attributed to the FAA by 6,770, the biggest [margin](http://www.bloomberg.com/news/videos/2016-08-23/blame-the-airlines-for-u-s-flight-delays-not-the-weather) ever. Almost six out of 100 flights were held up by factors attributed to the airlines. That doesn’t include the ripple of delays that a late flight inflicts on subsequent ones.

National Aviation System causes 15% of delays and 22.9% of total minutes of all airline delays

Benjamin Zhang 2016 (journalist) BUSINESS INSIDER 24 Aug 2016 “Here are the 3 most common reasons your flight gets delayed” <http://www.businessinsider.com/why-your-flight-is-delayed-2016-8>



“Much of the blame” for air travel delays and economic losses is the fault of air traffic control

Dan Peltier 2014. (journalist) Airline Industry Bemoans Current State of Air Traffic Control in U.S., 24 Dec 2014 <http://skift.com/2014/12/24/airline-industry-bemoans-current-state-of-air-traffic-control-in-u-s/>

 Airline passengers fret about the lack of free Wi-Fi on planes or the nuisance of [reclining seats](http://skift.com/2014/08/28/3-airlines-seats-that-can-stop-the-battle-for-legroom/), an air traffic control issue looms much more quietly in the background. The U.S. economy loses as much as $33 billion a year to flight delays, with half of that attributed to economic losses passengers experience, according to the National Center for Excellence for Aviation Operations, which attributes much of the blame on the Federal Aviation Administration.

Aviation has significant economic impact

Dr. Joshua L. Schank 2014. (Ph.D. in urban planning from Columbia Univ; President and CEO of the Eno Center for Transportation, a non-profit foundation; has worked on federal and state transportation policy over a decade; formerly directed the National Transportation Policy Project at the Bipartisan Policy Center) 15 Dec 2014 Why Our Largest Metropolitan Areas Should Care About Air Traffic Control Reform <http://cityminded.org/largest-metropolitan-areas-care-air-traffic-control-reform-12163>

 Aviation may account for a small percentage of travelers to and from a metropolitan area, and an even smaller percentage of freight, but those travelers and that freight are of very high economic value for the region. The passengers are either on business, in which case they are likely contributing to the economic output of the region, or tourists, in which case they are coming to the region to spend money. Facilitating their journey by ensuring there is sufficient capacity to meet demand for air travel turns out to be a very pressing and important transportation and economic problem for urban areas.

The Cost of Delaying NextGen- 500,000-1 million US jobs, $46-$51 billion in lost wages, $96-$192 billion in unrealized economic output

Marion C. Blakely 2013 [President and CEO, Aerospace Industries Association, The Aerospace Industries Association (AIA) is an American trade association representing manufacturers and suppliers of civil, military, and business aircraft, helicopters, UAVs, space systems, aircraft engines, missiles, material, and related components, equipment, services, and information technology in the United States, “NextGen: Proven Technology, Endangered Potential”, <http://www.aia-aerospace.org/assets/NextGen_Report_AD.pdf> (brackets in original)

Yet despite the tremendous economic, environmental and performance benefits to be realized from NextGen, the program has been repeatedly threatened by short-term funding measures, a lack of future commitments and sequestration.In 2012, lawmakers finally passed a long-term FAA authorization after 23 temporary funding measures, some of which were as short as four months. However, sequestration remains a threat and could delay NextGen implementation for up to a decade. The potential cost of this delay, in terms of lost opportunities for the U.S. economy, include the loss of 500,000 to 1 million U.S. jobs, $46-$51 billion in lost wages and $96-$192 billion in unrealized economic output. While capital funding for NextGen could survive sequestration, there must also be stable operations funding to keep NextGen on track. “The budget profile even under the sequester would provide capital funding required to meet most [NextGen] commitments,” says FAA Administrator Michael Huerta. “But to make this happen, we also have to have the operations funds to maintain active work force participation in key activities. If we’re not able to keep that work force engagement, it’s very difficult to meet all of our current commitments and the associated timelines... It’s one thing to deploy a system; it’s quite another thing to make it operational.”

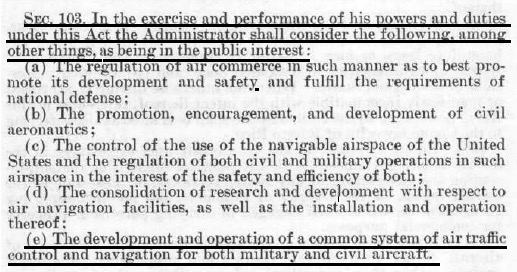
SOLVENCY / ADVOCACY

Full text of HR4441 – download it and print out before running the case

<https://www.congress.gov/bill/114th-congress/house-bill/4441/text>

Text of Section 103 of the Federal Aviation Act of 1958 (assigned responsibility for ATC to FAA)

Section 103 of the Federal Aviation Act of 1958. It was signed into law by Pres. Eisenhower on 23 August 1958 <http://www.gpo.gov/fdsys/pkg/STATUTE-72/pdf/STATUTE-72-Pg731.pdf>



Summary of what AIRR does: Canadian model non-profit corporation

Marc Scribner 2016 (senior fellow at the Competitive Enterprise Institute) 9 Feb 2016 Air Traffic Control Reform: FAQ <https://cei.org/content/air-traffic-control-reform-faq>

Two decades ago, to great success, Canada spun off its government air traffic control agency into an independent, nongovernmental nonprofit called Nav Canada. The AIRR Act charters a new nonprofit, called the ATC Corporation, to replace the FAA’s Air Traffic Organization as the nation’s air navigation service provider. This corporation would be customer-focused and governed by aviation stakeholders from airlines, recreational general aviation, aviation unions, and the Department of Transportation. The Act requires the FAA to complete this “transfer in a systematic and orderly manner that ensures continuity of safe air traffic services” on October 1, 2019.

Can Congress create a non-profit independent corporation? Yes – example: Corporation for Public Broadcasting

Corporation for Public Broadcasting official web site, undated. <http://www.cpb.org/aboutcpb>

CPB is a private, nonprofit corporation created by [Congress in the Public Broadcasting Act of 1967](http://www.cpb.org/aboutpb/act). CPB is the steward of the [federal government’s investment](http://www.cpb.org/appropriation/history) in public broadcasting and the largest single source of funding for public radio, television, and related online and mobile services.

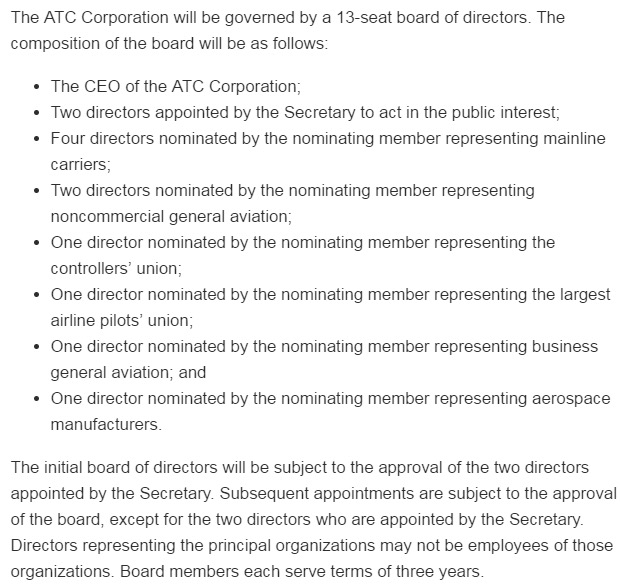
Where does the funding come from? The Airport & Airway Trust Fund, which comes from taxes and fees on aviation

David Harrison 2014. (journalist) ROLL CALL “Are Skies Clearing for Rebuilding Air Traffic Control?” 1 Dec 2014 <http://www.rollcall.com/news/are_skies_clearing_for_rebuilding_air_traffic_control-238289-1.html>

 What’s infuriating to transportation officials and legislators is that the Airport and Airway Trust Fund, which pays for 80 percent of the FAA’s budget from taxes on airplane tickets, airline fuel and other fees, lies just outside their grasp. It is on solid footing — unlike its cousin, the Highway Trust Fund. In fiscal 2013, the air trust fund raised $12.9 billion and disbursed $10.9 billion, starting fiscal 2014 with a cash balance of $13.2 billion. But Congress still needs to appropriate the money from the trust fund for it to be used, which makes it subject to sequestration and shutdowns.

Who’s on the ATC Corporation governing board under AIRR plan

Marc Scribner 2016 (senior fellow at the Competitive Enterprise Institute) 9 Feb 2016 Air Traffic Control Reform: FAQ <https://cei.org/content/air-traffic-control-reform-faq>



FAA Management Advisory Council advocates the plan

Robert W. Poole 2017 (serves on the National Aviation Studies Advisory Panel of the Government Accountability Office; Director of Transportation Policy and Searle Freedom Trust Transportation Fellow, Reason Foundation; two engineering degrees from M.I.T.) Governance of a U.S. ATC Corporation, testimony before the House Transportation & Infrastructure Committee May 17, 2017 <http://reason.org/files/air_traffic_control_governance_testimony.pdf>

As a participant in both the Business Roundtable and the Eno Center working groups, I agree with their assessment of the problems and with their conclusions that ATC is a high-tech 24/7 service business that is a poor fit for a tax-funded bureaucracy housed within a safety regulatory agency. This assessment was also made unanimously by the FAA Management Advisory Council in its January 2014 final report calling for the Air Traffic Organization to be separated from the FAA and the federal budget, made self-supporting from ATC fees and charges (as used by every developed country except the United States), and be regulated at arm’s length by the FAA safety regulator, per ICAO policy.

Secretary of Defense advocates the plan

Robert W. Poole 2017 (serves on the National Aviation Studies Advisory Panel of the Government Accountability Office; Director of Transportation Policy and Searle Freedom Trust Transportation Fellow, Reason Foundation; two engineering degrees from M.I.T.) 23 May 2017 “Air Traffic Control Newsletter #143” <http://reason.org/news/show/air-traffic-control-newsletter-143>

On May 17th, Chairman Bill Shuster of the House Transportation & Infrastructure Committee made public a letter from Secretary of Defense James Mattis, in response to Senator John McCain's March 13th question about DoD's position on possible corporatization of the ATC system. The answer was straightforward: "The DoD is supportive of possible privatization of ATC services." Mattis explained that the agency has created an ad-hoc committee "to assess the current ATC relationship between DoD and the FAA, within 120 days, in order to delineate the linkages that would be necessary with a privatized ATC entity." Shuster reassured those taking part in the May 17 hearing that this year's corporatization bill would include all needed provisions to maintain the current civil/military ATC relationship.

Advocacy: Former Secretaries of Transportation, Administrators of FAA’s Air Traffic Organization (ATO), other experts

Robert W. Poole 2017 (serves on the National Aviation Studies Advisory Panel of the Government Accountability Office; Director of Transportation Policy and Searle Freedom Trust Transportation Fellow, Reason Foundation; two engineering degrees from M.I.T.) 23 May 2017 “Air Traffic Control Newsletter #143” <http://reason.org/news/show/air-traffic-control-newsletter-143>

As debate heated up over the House bill last February, a group of former congressional, DOT, and FAA leaders sent a letter to House Transportation Committee Chair Bill Shuster urging fundamental reform that would take the ATO out of FAA and convert it into a federally chartered, self-supporting nonprofit corporation. Signers included former DOT Secretaries Jim Burnley, Norm Mineta, and Mary Peters; all three former Chief Operating Officers of the ATO (Russ Chew, Hank Krakowski, and David Grizzle); former FAA Administrator Randy Babbitt, former Clinton White House infrastructure expert Dorothy Robyn; and former Senators Byron Dorgan (D, ND) and Trent Lott (R, MS).

Canada model has been a big success - and we should copy it in the U.S.

Tad Dehaven 2010. (budget analyst on federal and state budget issues for the Cato Institute ) Canada’s Private ATC Wins Award 20 Sept 210 <http://www.cato.org/blog/canadas-private-atc-wins-award> (ellipses in original)

Unlike the government-run ATC system in the U.S., Nav Canada is a privately run, not-for-profit corporation. As a Cato essay on privatization explains, the U.S. system leaves a lot to be desired while the private Canadian system has been a tremendous success:|  
The Federal Aviation Administration has been mismanaged for decades and provides Americans with second-rate air traffic control. The FAA has struggled to expand capacity and modernize its technology, and its upgrade efforts have often fallen behind schedule and gone over budget…The GAO has had the FAA on its watch list of wasteful “high-risk” agencies for years…Canada privatized its ATC system in 1996. It set up a private, nonprofit ATC corporation, Nav Canada, which is self-supporting from charges on aviation users. The Canadian system has received high marks for sound finances, solid management, and investment in new technologies. Critics of privatization claim that it’s “too risky” to place such activities in the hands of the private sector. Canada’s success undermines that argument. In fact, air traffic control is far too important for such government mismanagement and should therefore be privatized. In doing so, policymakers should look to our neighbors to the north as a model for how to get the job done right.

Most other countries have moved air traffic control out of government, and it works fine

John Engler 2014 (former governor of Michigan; president of the Business Roundtable) Statement BEFORE THE UNITED STATES HOUSE OF REPRESENTATIVES COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE, NOV. 18, 2014 FAA REAUTHORIZATION: ISSUES IN MODERNIZING AND OPERATING THE NATION’S AIRSPACE <http://transportation.house.gov/uploadedfiles/2014-11-18-engler.pdf>

Researchers have found that over the last two decades most other countries have restructured the way air traffic control is funded and governed—for example, in Australia, Canada, Germany, and the United Kingdom. In these and many other cases, the governments have decided that air traffic control is a high tech service business that can be funded directly by its aviation users, who become customers, just as airlines are customers of airports. More than 50 countries have separated their air traffic control systems from their transport ministries, leading to arm’s-length regulation of air safety—just like that applied to airports, airlines, and all the other components of aviation.

A/T “Public doesn’t support air traffic control privatization” – Because they don’t understand it

Dan Reed 2017 (journalist, 35 years of experience covering the airline industry) “Another Opportunity For Congress To Privatize Air Traffic Control” 27 Feb 2017 FORBES magazine <https://www.forbes.com/sites/danielreed/2017/02/27/another-bite-at-the-apple-another-opportunity-for-congress-to-privatize-air-traffic-control/2/#4b7b5e453ecd>

Americans have made it clear over and over and over that they like the idea of contracting out services once provided by the government with great inefficiency and high costs. The public generally view such outsourcing as an effective way of putting a lid on government spending. Third, and most obviously, the vast majority of Americans know little or nothing about what FAA privatization would or would not mean. So their response to a survey, especially one using a controversial technique designed to produce a pre-determined result, is of very little value.

A/T “Airlines are to blame” – We should still fix the ATC system and take away their excuses

Dan Reed 2017 (journalist, 35 years of experience covering the airline industry) “Another Opportunity For Congress To Privatize Air Traffic Control” 27 Feb 2017 FORBES magazine <https://www.forbes.com/sites/danielreed/2017/02/27/another-bite-at-the-apple-another-opportunity-for-congress-to-privatize-air-traffic-control/5/#15023af15d0c>

Still, fixing this nation’s badly broken air traffic control system’s organizational structure is an important and necessary first step to ultimately[getting American commercial aviation back on time](https://www.forbes.com/sites/danielreed/2015/07/08/airlines-40-failure-rate-abdicating-responsibility/3/?ss=wall-street#d770d5643ad7) for the first time in at least four decades. Fixing that will make it harder – impossible really – for the [airlines to continue blaming the air traffic control system for their own egregious failures to operate on time.](https://www.forbes.com/sites/danielreed/2015/07/09/airlines-40-failure-rate-your-flights-on-time-arrival-owes-more-to-luck-than-managerial-skill/#752a88fb11f4)

Privatization address 3 major problems: Funding, Governance, and Culture

Robert W. Poole 2017 (serves on the National Aviation Studies Advisory Panel of the Government Accountability Office; Director of Transportation Policy and Searle Freedom Trust Transportation Fellow, Reason Foundation; two engineering degrees from M.I.T.) Governance of a U.S. ATC Corporation, testimony before the House Transportation & Infrastructure Committee May 17, 2017 <http://reason.org/files/air_traffic_control_governance_testimony.pdf>

The three major categories of problem that corporatization would address are: • Funding: uncertain, unstable, and poorly suited to paying for large-scale capital modernization of not just technology but also of antiquated facilities. • Governance: a system in which far too many legislative and executive branch agencies oversee the ATO, which leads it to focus more on its overseers than on its aviation customers. • Culture: an organizational culture that is risk-averse and status-quo-focused and therefore lags considerably behind its counterparts that have been corporatized over the past three decades.

ADVANTAGES

Privatization would improve small airport services over Status Quo

Robert W. Poole 2017 (serves on the National Aviation Studies Advisory Panel of the Government Accountability Office; Director of Transportation Policy and Searle Freedom Trust Transportation Fellow, Reason Foundation; two engineering degrees from M.I.T.) Governance of a U.S. ATC Corporation, testimony before the House Transportation & Infrastructure Committee May 17, 2017 <http://reason.org/files/air_traffic_control_governance_testimony.pdf>

A self-funded ATC corporation would be an improvement for small airports in at least two ways. First, thanks to its predictable user-fee revenue stream, the corporation would be able to issue long-term revenue bonds to finance major facility renewal, including an overdue expansion of contract towers where justified. Second, the ATC corporation would likely move forward, as its self-funded counterparts in Europe are doing, with implementing remote-tower technology at airports of all sizes (rather than building ever-taller and more-costly traditional towers). For low-activity airports, remote towers have the potential to reduce the cost of tower capability while maintaining or increasing the benefits. Thus, more airports will qualify by meeting the benefit/cost threshold.

The Canadian system delivers the same service for lower cost compared to FAA

John Engler 2014 (former governor of Michigan; president of the Business Roundtable) Statement BEFORE THE UNITED STATES HOUSE OF REPRESENTATIVES COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE, NOV. 18, 2014 FAA REAUTHORIZATION: ISSUES IN MODERNIZING AND OPERATING THE NATION’S AIRSPACE <http://transportation.house.gov/uploadedfiles/2014-11-18-engler.pdf>

 The Business Roundtable recently conducted an analysis that superimposed Canadian rates for air traffic control services on U.S. flight data, and preliminary results suggest that, in aggregate, the Canadians are delivering services for lower cost than the FAA today. Canada’s cost advantage may result partly due to a less-complex airspace than the United States’ – and complexity drives cost – but one would expect that the U.S. larger-scale operation would also create its own efficiencies and lower costs.

Removing air traffic control from government has worked well in multiple countries and Canada: Solved the same harms US is having now

WALL STREET JOURNAL 2014. (Journalists Susan Carey and Andy Pasztor) Sparks Fly on Privatizing Air-Traffic Control 24 Aug 2014 <http://www.wsj.com/articles/sparks-fly-on-privatizing-air-traffic-control-1408921476>

 In the past 15 years, nations including France, the Netherlands and New Zealand have formed separate government corporations or public-private partnerships to handle air-navigation functions. Canada has gone the furthest, in 1996 creating a private, nonprofit corporation that takes no funding from the government. Any profit at Nav Canada, as the company is called, is used to pay down debt, finance capital expenditures or reduce user fees. The transition was made after Canada suffered many of the same problems now plaguing the FAA: air-traffic control infrastructure in need of renewal, major projects falling behind schedule and going over budget, shortages of controllers and costs increasing at a faster rate than revenue from ticket taxes.

Canada model gets satellite technology implemented faster

Dan Peltier 2014. (journalist) Airline Industry Bemoans Current State of Air Traffic Control in U.S., 24 Dec 2014 <http://skift.com/2014/12/24/airline-industry-bemoans-current-state-of-air-traffic-control-in-u-s/> (brackets added)

 “While other countries like Canada and Australia have been using satellite-based technology to manage their air traffic, the United States continues to play catch up,” said Victoria Day, a spokesperson for A4A [Airlines For America, an airline industry trade association]. “Stops and starts in appropriations’ funding, combined with sequestration, have negatively impacted long-term implementation. They have also caused disproportionate harm to controllers and the traveling public.”

DISAVANTAGE RESPONSES

A/T “Removing government oversight” – Not so, and anyone who says it is misleading. FAA authority would continue

Dan Reed 2017 (journalist, 35 years of experience covering the airline industry) “Another Opportunity For Congress To Privatize Air Traffic Control” 27 Feb 2017 FORBES magazine <https://www.forbes.com/sites/danielreed/2017/02/27/another-bite-at-the-apple-another-opportunity-for-congress-to-privatize-air-traffic-control/4/#336bff8e52f7>

It is a misleading and loaded statement in that “taking” the ATC Organization from the FAA implies some type of negative and forceful action will be taken to disrupt a smooth operation, which the FAA-led ATC Organization most certainly is not. More disturbing, the statement is untruthful in that it says the role of regulating the nation’s air traffic control system would be removed from the FAA and turned over to the private entity. That just ain’t so. The FAA’s regulatory authority over aviation operations and safety would continue unchanged. It would continue set enforce air traffic control performance and operational standards. And its representatives would sit on the privatized ATC Organization’s board precisely to ensure that safety standards are maintained and improved whenever possible. But it’s easy to see why a good-sized majority of those not keenly aware of aviation safety management, operations and regulatory issues said they would be opposed to such a change after being provided such purposely misleading information.

A/T “Losing oversight of safety” – FAA would still be in charge of safety and must approve all changes

Robert W. Poole 2017 (serves on the National Aviation Studies Advisory Panel of the Government Accountability Office; Director of Transportation Policy and Searle Freedom Trust Transportation Fellow, Reason Foundation; two engineering degrees from M.I.T.) Governance of a U.S. ATC Corporation, testimony before the House Transportation & Infrastructure Committee May 17, 2017 <http://reason.org/files/air_traffic_control_governance_testimony.pdf>

Second, it is important to remember that the FAA would still be in charge of all aspects of aviation safety. The ATC corporation would propose new technologies and new procedures, but the FAA—operating then at arm’s-length as the safety regulator—would have the obligation to approve or disapprove. In no way would the ATC corporation be establishing the rules of the air.

A/T “Safety risk” – Status Quo has more risk. FAA regulating itself on safety is inherently bad

Rep. Bill Shuster 2017 (R-Penn.) “The Need to Reform FAA and Air Traffic Control to Build a 21st Century Aviation System for America” 17 May 2017 statement before the House Committee on Transportation and Infrastructure <https://transportation.house.gov/calendar/eventsingle.aspx?EventID=401374>

And, it is the only DOT agency that serves as both a transportation service provider and the safety regulator. Regulating itself is an inherent conflict of interest, and separating the two functions is simply good government. It’s time for reform that is truly transformational. Real change can be difficult – we’ve learned that over the last year. But the broader lesson over the last several decades is that the true risk lies in doing nothing.

“Unions don’t like it” Response- Canada Model works. Even though the unions complain about Canada’s privatized ATC, everyone agrees it’s better than what they had before

Andrew Wood 2008[reporter, Aviation International News, Aviation International News is a monthly trade publication focused on the business aviation market and packed full of news, features, special reports and survey results, “After four years, opinions are mixed on Nav-Canada led ATC”, <http://www.ainonline.com/aviation-news/aviation-international-news/2008-05-09/after-four-years-opinions-are-mixed-nav-canada-led-atc>]

 The brickbats came from two of Nav Canada’s unions, which have accused the company of cutting back on employees, forcing them to work overtime to accommodate long hours on difficult shifts, and generally being indifferent to their needs. The two unions, one representing air traffic controllers and the other representing electronic maintenance technicians, are hinting that strike action is not out of the question. Rob Thurger, newly elected president of the Canadian Air Traffic Controllers Association (Catca), said, “The Nav Canada model was a good one, and Catca was supportive of the move to privatization. So we expected to be fully involved in its development. But that hasn’t happened.” As a result, said Thurger, there was a major disillusionment among his members.Yet, curiously, both the satisfied clients and the dissatisfied employees all appear to agree that Nav Canada is doing a better job than Transport Canada, its predecessor. As Canadian Business Aircraft Association (CBAA) president Rich Gage put it, “I don’t know anyone who would want to go back to operating under Transport Canada.”

“Less safe”- Response: Why is an air traffic controller suddenly better at his job because he’s a federal employee?

Joshua L. Shank 2013 [urban planner, is president and chief executive of the nonprofit Eno Center for Transportation, which seeks to improve transportation policy. From 2007 to 2011, he directed the Bipartisan Policy Center’s National Transportation Policy Project, The Washington Post, <http://www.washingtonpost.com/opinions/air-traffic-control-shouldnt-be-a-government-responsibility/2013/04/25/5dc8fe80-adc8-11e2-8bf6-e70cb6ae066e_story.html>]

 Critics of privatization say that safety would be compromised and that in some places, the number of safety incidents has increased since privatization. But there is disagreement about the validity of these claims. Numerous factors, such as an increase in air traffic, can play a role in safety incidents — and it is hard to imagine that simply being a federal employee makes a qualified air-traffic controller work better.

A/T “Costs went up in Canada” - Only 5% after 16 years (1996-2012). Not nearly as much as would have been without privatization

Robert Mark 2012 (journalist) Canada’s Private ATC System Offers Alternative for Cost-cutting Nations 1 Jan 2012 <http://www.ainonline.com/aviation-news/aviation-international-news/2012-01-01/canadas-private-atc-system-offers-alternative-cost-cutting-nations> (brackets added)

 “There have been a few increases, as well as some decreases over the past 15 years,” he [Sid Kozlow, vice president and chief technology officer for Nav Canada] said. Fees currently sit about 5 percent higher than they were when Nav Canada opened for business in 1996. “And those fees are about 25 percent less than what they would have been if we’d been tied to the old system,” Kozlow claimed. “Next year’s rates are being created this year. We make a real effort to balance everything, too. There is a little extra [put in reserve] plus or minus 7.5 percent of our total revenue.”

A/T “New taxes and fees” – Non-unique. That’s how Status Quo ATC is funded already

Dr. Steven Morrison and Clifford Winston 2008. (Morrison – PhD economics. Winston – Senior Fellow in Economic Studies, Brookings Institution) “Delayed! U.S. Aviation Infrastructure Policy at a Crossroads” <https://www.brookings.edu/articles/delayed-u-s-aviation-infrastructure-policy-at-a-crossroads/>

Air traffic control is supported by the Airport and Airway Trust fund as well as by general revenues. Commercial airlines pay for more than 90 percent of the costs of the system, while private business jets pay the small remaining share.

A/T “Existing FAA workers lose jobs” – They wouldn’t, but even if they did, it would be a good thing

Robert W. Poole 2017 (serves on the National Aviation Studies Advisory Panel of the Government Accountability Office; Director of Transportation Policy and Searle Freedom Trust Transportation Fellow, Reason Foundation; two engineering degrees from M.I.T.) 23 May 2017 “Air Traffic Control Newsletter #143” <http://reason.org/news/show/air-traffic-control-newsletter-143>

FAAMA is right to see corporatization as a threat to at least some of its members. One of the most important goals of ATC reform is to replace the existing bureaucratic organizational culture with an innovation-friendly, can-do culture more like that of telecommunications firms and the smaller and more-innovative aerospace companies. There are some first-rate people within FAA who would feel liberated by graduating from a civil-service bureaucracy into a results-oriented technology company. Others, however, would find that kind of culture impossible to cope with. Fortunately, there is a large subset of FAA supervisors and managers within a few years of retirement age, so the needed reinvention of ATO's corporate culture might be do-able largely by attrition (and to some extent, by lateral transfers to the now-much-smaller FAA). But make no mistake: that organizational culture must change, if airspace users are to have any hope of the ATO turning into a cost-effective service business.

A/T “Airlines takeover the governing board” – Can’t happen under Canadian model

Robert W. Poole 2017 (serves on the National Aviation Studies Advisory Panel of the Government Accountability Office; Director of Transportation Policy and Searle Freedom Trust Transportation Fellow, Reason Foundation; two engineering degrees from M.I.T.) Governance of a U.S. ATC Corporation, testimony before the House Transportation & Infrastructure Committee May 17, 2017 <http://reason.org/files/air_traffic_control_governance_testimony.pdf>

The most misunderstood aspect of the ATC corporatization proposal adopted by this committee last February is the stakeholder board concept. It was intended to be a U.S. adaptation of the concept that has served so well at Nav Canada for the past 20 years: board members elected by the principal aviation stakeholders such that all are represented fairly in a body that manages the corporation in the best interests of a viable and cost-effective ATC system for all of its customers and other stakeholders. But over the past year, this proposed stakeholder board has been described as “giving effective control of our public airspace to the major airlines.” Others have described it as a board “dominated by the major airlines.” Needless to say, this characterization has led to serious concerns and opposition to ATC reform by many private pilots, small-city officials and their airport managers, and rural-state legislators and their Members of Congress. I can understand their fears that a for-profit ATC entity controlled by major airlines might see small-airport towers as less than essential. And if that is what was actually being proposed, I would be among the opponents. But the proposal under discussion is a non-profit, federally chartered corporation to which the federal government delegates the provision of ATC services. This is consistent with international aviation law, ICAO principles, and global practice. In a nonprofit, stakeholder co-op structure, there are no shareholders, and every stakeholder board member has a vote of equal value to that of every other member.

Canada model shows how governing board is balanced, not taken over by airlines

Robert W. Poole 2017 (serves on the National Aviation Studies Advisory Panel of the Government Accountability Office; Director of Transportation Policy and Searle Freedom Trust Transportation Fellow, Reason Foundation; two engineering degrees from M.I.T.) Governance of a U.S. ATC Corporation, testimony before the House Transportation & Infrastructure Committee May 17, 2017 <http://reason.org/files/air_traffic_control_governance_testimony.pdf>

The composition of Nav Canada’s board, as of 2014, was as follows:   
3 elected by Government of Canada • Former MP, British Columbia • Financial & management consultant • Former Sr. VP, Bell Canada   
4 elected by commercial airlines • Former Exec. VP Planning, Air Canada • Former CEO, Bradley Air Services • Former President, Transat Tours • Former COO, Air Canada   
2 elected by unions • Exec. Director, BC Nurses’ Union • Partner, Denton’s Canada   
1 elected by general aviation • Former consultant, CBAA   
4 elected by stakeholder board • CEO, Barrett Diversified • Former Group VP, Enbridge Inc. • Former President, TSX Venture Exchange • Chairman of the Board, Canada Post CEO of Nav Canada

A/T “Small airports will be neglected” – Non-unique. Status quo small airports are already neglected

Robert W. Poole 2017 (serves on the National Aviation Studies Advisory Panel of the Government Accountability Office; Director of Transportation Policy and Searle Freedom Trust Transportation Fellow, Reason Foundation; two engineering degrees from M.I.T.) Governance of a U.S. ATC Corporation, testimony before the House Transportation & Infrastructure Committee May 17, 2017 <http://reason.org/files/air_traffic_control_governance_testimony.pdf>

Third, when considering the status quo of the ATO’s current inadequate and unpredictable funding, we should understand that small airports are getting the short end of the stick. For example, despite a long waiting list of airports that have applied for a contract tower, FAA funding limitations have led to a moratorium on new contract 8 towers since fiscal year 2014. The moratorium was imposed following the 2013 sequester. In addition, FAA continues to study possible revisions to its benefit/cost methodology for contract towers. Even if the moratorium were to be lifted next year or the year after, the FAA’s ongoing triage—making painful decisions about what to invest in, based on recommendations from the NextGen Advisory Committee—means that low-activity control towers will likely remain a low priority.

A/T “Civil – Military cooperation problems” – All 60 countries that have private ATC have it working just fine

Robert W. Poole 2017 (serves on the National Aviation Studies Advisory Panel of the Government Accountability Office; Director of Transportation Policy and Searle Freedom Trust Transportation Fellow, Reason Foundation; two engineering degrees from M.I.T.) 23 May 2017 “Air Traffic Control Newsletter #143” <http://reason.org/news/show/air-traffic-control-newsletter-143>

Civil/military cooperation has been addressed in all 60 countries that have created ATC corporations. As reported previously in this newsletter, Australia is under way with a joint effort to develop a single civil/military ATC software system to replace the AAATS developed by Airservices Australia in the 1990s. Defence and Airservices are jointly funding and managing procurement of the new system. NATS in the UK has a close working relationship with Defence Airspace and Air Traffic Management. At NATS's Swanwick London Area and Terminal Control Center, military controllers are embedded throughout the operation. And 20 years ago, Eurocontrol implemented a Civil-Military Interface Standing Committee, to facilitate civil/military cooperation across Europe. And our own Air Traffic Control Association runs a civil/military ATC conference in parallel with its big annual ATC conference. In short, civil/military cooperation in air traffic control is standard practice worldwide, whether the ANSP is an ATC corporation or a government agency.

Congressional Budget Office admitted their “HR 4441 federal deficit” estimates are based on bogus assumptions

**Analysis: CBO’s “budget deficit increase” estimate for HR 4441 was based on the assumption that no other provisions other than HR4441 would be enacted. So, the taxes and spending for the FAA would continue as in the Status Quo, hence the deficit would go up. But that’s ridiculous, since the intent is to phase those out as soon as the privatized system takes over. Our Mandate 2 explicitly says that, so our plan avoids this problem and the CBO deficit estimate doesn’t apply to us.**

Marc Scribner 2017 (senior fellow at the Competitive Enterprise Institute; BA in economics and philosophy from George Washington Univ) 6 June 2017 “[Vox.com Snookered by Debunked 2016 CBO Score of Air Traffic Control Reform](https://cei.org/blog/voxcom-snookered-debunked-2016-cbo-score-air-traffic-control-reform)” <https://cei.org/blog/voxcom-snookered-debunked-2016-cbo-score-air-traffic-control-reform>

Since only the authorization title and not the revenue and appropriations titles had been scored (the latter two were not yet written), CBO assumes a business-as-usual case for current FAA taxes and spending. In reality, reform proponents are asking for aviation taxes and FAA’s budget to be appropriately reduced—currently, the FAA spends about $10 billion annually on air traffic control. So, what the CBO assumed is that not only would the new nonprofit air traffic control provider invest into modernizing its system and collect user fees, Congress would also continue taxing and funding at the same levels to support a phantom, parallel, government-run air traffic control provider. This is absurd and Vox.com ought to at least note CBO’s explanation for why its score of last year’s air traffic control reform proposal is absurd.

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