Negative: Air Traffic Control Privatization

By “Coach Vance” Trefethen

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

Summary: Plan moves the Federal Aviation Administration’s (FAA) responsibility for running the air traffic control (ATC) system to an outsourced independent non-profit corporation created by Congress, using the Canadian model where Canada did the same thing around 15 years ago. The independent corporation would collect airline user fees instead of being funded by the federal government / FAA budget.

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NEGATIVE BRIEF: Air Traffic Control Privatization

NEGATIVE PHILOSOPHY

Burden of Proof: What would it take to prove privatizing ATC is a good policy?

Delta Airlines 2016. “THE COSTS OF PRIVATIZING AIR TRAFFIC CONTROL AND HOW IT WILL IMPACT AIRLINE TRAVELERS” 1 Feb 2016 <http://news.delta.com/sites/default/files/The%20Costs%20of%20Privatizing%20Air%20Traffic%20Control.pdf>

In order to convince Americans that privatization would be beneficial, proponents of scheme should have to prove to consumers that a privatized ATC would maintain the same track record without increasing costs. Proponents must also show that privatization would keep the US on track to achieve the same benefits currently being realized under NextGen technology improvements. Such an argument has yet to be put forth.

HARMS / SIGNIFICANCE

1. No safety problem

FAA Air Traffic Control system is the safest and most efficient in the world

Delta Airlines 2016. “THE COSTS OF PRIVATIZING AIR TRAFFIC CONTROL AND HOW IT WILL IMPACT AIRLINE TRAVELERS” 1 Feb 2016 <http://news.delta.com/sites/default/files/The%20Costs%20of%20Privatizing%20Air%20Traffic%20Control.pdf>

For decades, the United States Federal Aviation Administration (FAA) has operated the nation’s air traffic control (ATC) and remained an international leader in safety and cost-effectiveness. Even as the US maintains far more airports than any other country, flying here remains second to none in safety and American consumers overwhelmingly believe the FAA is succeeding in its mission to provide the safest and most efficient airspace in the world.

SOLVENCY

1. Other nations’ “success stories” not applicable

Only 2 countries’ reforms did the same as the AIRR proposal: UK and Canada. And they aren’t comparable to the USA

Rep. Peter DeFazio 2016 (congressman from Oregon) 11 Feb 2016 “The devolution of aviation safety” <http://thehill.com/special-reports/269046-the-devolution-of-aviation-safety>

Privatization supporters point to examples of private air traffic control systems in other countries as evidence that privatization could work in the United States. However, only two countries have privatized systems similar to what the AIRR Act proposes: Canada (NavCanada) and the United Kingdom (NATS). NavCanada and NATS manage airspaces that are vastly different from that of the U.S., which is by far the busiest and most complex airspace in the world. According to the Department of Transportation inspector general, U.S. airspace is 2.5 times larger than that of the U.K. and more than four times larger than Canadian airspace. Air traffic controllers in the U.S. are responsible for tracking and coordinating 15.5 million instrument flight movements per day, compared to about one-third of that in Canada and the U.K. combined. In addition, there are nearly 210,000 general aviation aircraft based in the U.S., compared to 35,000 in Canada and 20,000 in the U.K.

US airspace is larger and more complex than Canada, Britain, the European Union, or any other country

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The FAA’s ATC oversight includes approximately 30 million square miles of airspace — a total of 17 percent of the Earth’s airspace and more than any other agency in the world. That airspace includes all of the US, large portions of the Atlantic and Pacific Oceans and the Gulf of Mexico. In comparison, equivalent agencies in Canada and the United Kingdom oversee approximately seven million square miles and 200,000 square miles,7 respectively. Additionally, the FAA’s jurisdiction in the US contains more airports and serves more passengers than any other nation in the world. There are over 13,000 airports in the US, or more than four times as many as are located throughout the entire European Union.

Other countries’ experience with privatization don’t apply to HR4441

Rep. Peter DeFazio and Rep. Rick Larsen 2016. (DeFazio – Ranking Member, US House of Representatives Committee on Transportation & Infrastructure. Larsen – Ranking Member, Subcommittee on Aviation. Ethical note: the article is undated but internally references materials published in 2016) “HR4441 Dissenting Views” <http://democrats.transportation.house.gov/sites/democrats.transportation.house.gov/files/documents/H.R.%204441%20Dissenting%20Views%20%28Public%20Distribution%20Copy%29.pdf>

Although some countries have separated air traffic control systems from aviation safety regulators, only two – Canada and the United Kingdom – have privatized their systems. But neither government handed over air traffic control assets free of charge, as H.R. 4441 specifically requires, and neither the Canadian nor the British aviation system is remotely comparable to that of the United States in geographic size, complexity, number of facilities, number of general aviation aircraft, or number of airports.3 The Department of Transportation Inspector General concluded in a 2015 report that “[t]here are significant differences between FAA and the foreign [air traffic control providers].”

1. Canada and UK privatization failed

Canada and UK privatization had big taxpayer losses, poor service and higher fees. US privatization would be even worse

Rep. Peter DeFazio 2016 (congressman from Oregon) 11 Feb 2016 “The devolution of aviation safety” <http://thehill.com/special-reports/269046-the-devolution-of-aviation-safety>

Even with smaller, more manageable systems, Canada and the U.K. had serious issues after moving to privatized air traffic control — with taxpayers bearing the brunt of the pain. The Canadian government was paid $1.5 billion for the public facilities and equipment taken by NavCanada; after the transition, audits found that NavCanada had undervalued these assets, and Canadian taxpayers lost at least $1 billion on the deal. According to Delta Air Lines, after transitioning to the private system, Canadian travelers also felt the sting of a 59 percent increase in air traffic control user fees. Travelers in the United Kingdom didn’t fare any better. After air traffic plummeted in 2001, British taxpayers paid $112.8 million to prevent an interruption in air traffic control services. In the years that followed the bailout, NATS hiked airline passenger user fees by 30 percent. Under the AIRR Act, American taxpayers would get a deal that is far worse.

1. Litigation and delay

To avoid constitutional problems, complex legal maneuvering will be needed, leading to litigation and delay

Rep. Peter DeFazio and Rep. Rick Larsen 2016. (DeFazio – Ranking Member, US House of Representatives Committee on Transportation & Infrastructure. Larsen – Ranking Member, Subcommittee on Aviation. Ethical note: the article is undated but internally references materials published in 2016) “HR4441 Dissenting Views” <http://democrats.transportation.house.gov/sites/democrats.transportation.house.gov/files/documents/H.R.%204441%20Dissenting%20Views%20%28Public%20Distribution%20Copy%29.pdf>

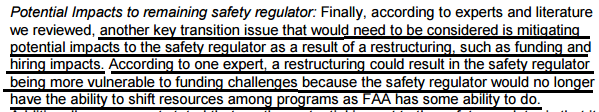
To the extent H.R. 4441 seeks to deliver predictability and stability for the air traffic control system, it fails its essential purpose. Because delegation of a regulatory function such as air traffic control to a private entity is unconstitutional under the non-delegation doctrine,6 the Republican bill requires the Secretary of Transportation to approve or disapprove numerous important decisions of the ATC Corporation. Because Congress annually appropriates funds for the Office of the Secretary, the bill’s complex process for Secretarial approval guarantees continued Congressional involvement in airspace modernization programs. And because the ATC Corporation is authorized to bring an action in U.S. District Court challenging the Secretary’s decisions, major projects could face years of delay in litigation.

DISADVANTAGES

1. Safety risks

Transition to privatized ATC risks effectiveness of FAA as a safety regulator

GAO 2016 (Government Accountability Office) 10 Feb 2016 “Federal Aviation Administration: Preliminary Observations of Potential Air Traffic Control Restructuring Transition Issues” <http://www.gao.gov/assets/680/675079.pdf>



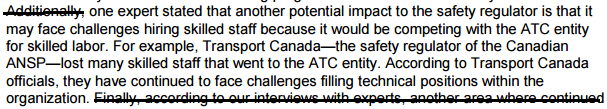
Disrupts and splits FAA, jeopardizes safety oversight and risks funding for safety management

Rep. Peter DeFazio and Rep. Rick Larsen 2016. (DeFazio – Ranking Member, US House of Representatives Committee on Transportation & Infrastructure. Larsen – Ranking Member, Subcommittee on Aviation. Ethical note: the article is undated but internally references materials published in 2016) “HR4441 Dissenting Views” <http://democrats.transportation.house.gov/sites/democrats.transportation.house.gov/files/documents/H.R.%204441%20Dissenting%20Views%20%28Public%20Distribution%20Copy%29.pdf>

Disrupts all FAA programs and fails to solve the most significant problems facing the aviation system.   
By splitting the FAA in two, the bill jeopardizes safety oversight and leaves critical FAA safety programs, including programs to certify new aircraft and equipment, and more than 7,400 FAA inspectors and other safety-critical employees subject to the vagaries of the annual Congressional appropriations and budget processes. These safety programs would be reliant exclusively on the General Fund of the Treasury for funding.

Loss of skilled staff during transition – it happened in Canada

GAO 2016 (Government Accountability Office) 10 Feb 2016 “Federal Aviation Administration: Preliminary Observations of Potential Air Traffic Control Restructuring Transition Issues” <http://www.gao.gov/assets/680/675079.pdf>



Safety funding cut and less stable after privatization with AIRR

Rep. Peter DeFazio 2016 (congressman from Oregon) 11 Feb 2016 “The devolution of aviation safety” <http://thehill.com/special-reports/269046-the-devolution-of-aviation-safety>

Advocates for privatization argue that our air traffic control system has suffered under years of congressional mismanagement. I agree that the Republican Congress has failed in its role of keeping the government open and maintaining a predictable funding stream. However, the AIRR Act would tear the FAA in two and leaves remaining functions, including safety oversight and certification programs, vulnerable to future budget cuts, sequestration and government shutdowns. By shifting existing trust fund revenue to airports, it leaves safety programs completely reliant on general fund appropriations dished out by Congress.

Reverse Advocacy: Safety concerns justify NOT privatizing air traffic control

Kirk Lippold 2016 (*retired naval officer who was the Commanding Officer of USS Cole (DDG 67) when it survived a suicide terrorist attack by al Qaeda. He is a highly regarded national security expert who currently serves as President of Lippold Strategies, LLC.) 10 June 2016 “Privatizing air traffic control jeopardizes national security” THE HILL* <http://thehill.com/blogs/pundits-blog/homeland-security/282910-privatizing-air-traffic-control-jeopardizes-national>

The government’s job is to efficiently and effectively spend the taxpayers’ money, which does not always mean shedding governmental responsibilities to the private sector. The nation’s airspace belongs to the American people, not the airlines or the other users of the system, which is why the safety of the system is an inherently governmental function. The health, maintenance, and proper functioning of the Air Traffic Control System and the National Airspace System should remain with the government and not become a privatized commercial entity.

1. Blocks NextGen rollout

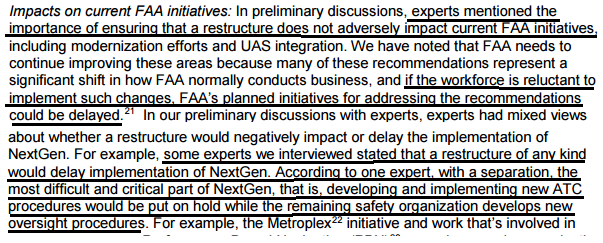
Link: NextGen rollout is underway

Delta Airlines 2016. “THE COSTS OF PRIVATIZING AIR TRAFFIC CONTROL AND HOW IT WILL IMPACT AIRLINE TRAVELERS” 1 Feb 2016 <http://news.delta.com/sites/default/files/The%20Costs%20of%20Privatizing%20Air%20Traffic%20Control.pdf>

That level of success has not stopped the FAA from continuing to improve its ATC service by adopting NextGen technologies. In March 2015, the FAA introduced the En Route Automation Modernization (ERAM) system, referred to as the backbone of NextGen technology. This new system nearly doubles the amount of flights a controller can track and has various other upgrades that modernize the way the United States manages its skies. These upgrades include the streamlined DataComm system, which replaces radio communication with a system akin to text messaging and is scheduled for implementation at more than 50 ATC towers in 2016.

Link: Transition to outside ATC could interrupt NextGen rollout

GAO 2016 (Government Accountability Office) 10 Feb 2016 “Federal Aviation Administration: Preliminary Observations of Potential Air Traffic Control Restructuring Transition Issues” <http://www.gao.gov/assets/680/675079.pdf>



Impact: Billions of dollars in benefits delayed or lost without NextGen

Delta Airlines 2016. “THE COSTS OF PRIVATIZING AIR TRAFFIC CONTROL AND HOW IT WILL IMPACT AIRLINE TRAVELERS” 1 Feb 2016 (brackets added) <http://news.delta.com/sites/default/files/The%20Costs%20of%20Privatizing%20Air%20Traffic%20Control.pdf>

New pilot programs throughout the nation have already been implemented to test further additions to the ERAM [En Route Automation Modernization] system. In Seattle, the Greener Skies initiative has demonstrated the benefit of performance-based navigation, which so far allows 73 flights per day to use a more efficient, steady descent, instead of the current stair-step model. This allows planes to begin idling about 100 miles from an airport, saving 1,900 pounds of carbon emissions and nine minutes of flight time. Overall, NextGen improvements have already yielded $1.6 billion in benefits to system users, with another $11.4 billion expected over the next 15 years.

1. Higher passenger costs

Link: No cost savings for consumers. Nations that have privatized ATC have seen costs go up higher than in the US

Kate Modolo 2016 (spokesperson for Delta Airlines) 1 Feb 2016 “Delta study: Privatizing air traffic control will increase costs to travelers” <http://news.delta.com/delta-study-privatizing-air-traffic-control-will-increase-costs-travelers>

Air travelers could be on the hook to cover 20 to 29 percent higher costs if the U.S. moves to a private air traffic control (ATC) organization funded through “user fees,” according to a [new study](http://news.delta.com/delta-study-cost-impact-privatizing-atc) released today by Delta Air Lines. “Proponents have claimed that privatization would lead to cost savings for consumers,” the study stated. “But no evidence has yet been produced to show that privatization would reduce costs. In fact, nations that have privatized ATC have seen operational costs increase at a much higher rate than has been seen in the US under the FAA.”

Link: Canada & Britain had higher costs after privatization; would be even worse in the US, since our system is bigger

Delta Airlines 2016. “THE COSTS OF PRIVATIZING AIR TRAFFIC CONTROL AND HOW IT WILL IMPACT AIRLINE TRAVELERS” 1 Feb 2016 <http://news.delta.com/sites/default/files/The%20Costs%20of%20Privatizing%20Air%20Traffic%20Control.pdf>

According to historical data, ATC costs in Canada and the United Kingdom have grown at larger rates under a private system than in the United States under a public system. From 1996 to 2012, Canada saw ATC operation fees increase by 59 percent. In the United Kingdom, ATC operational costs increased 30 percent while the United States remained relatively constant with only a six percent increase in costs. Compounded annually, the US has grown .4 percent annually while the UK and Canada have approximately grown by 2.2 percent and 2.9 percent respectively. Due to the much larger overall volume of American airspace, airports and aircraft, the Canadian and UK growth rates lead to much higher cost projections when applied to ATC operations in the US, and show that if the US were to privatize ATC, operational costs could increase by 20 to 29 percent after ten years.

Impact: Higher consumer ticket prices. Canada and the UK had higher costs and ticket prices when they outsourced ATC

Delta Airlines 2016. “THE COSTS OF PRIVATIZING AIR TRAFFIC CONTROL AND HOW IT WILL IMPACT AIRLINE TRAVELERS” 1 Feb 2016 <http://news.delta.com/sites/default/files/The%20Costs%20of%20Privatizing%20Air%20Traffic%20Control.pdf>

Lawmakers and consumers should understand that a move to privatize ATC would likely formalize silos between divisions within the FAA, add unforeseen transition costs and increase operational costs within the industry. It could also result in additional taxes on airline fuel and other air travel necessities, as has been seen in some other countries. Privatizing ATC would also likely lead to a rise in the cost of airline tickets in the US. Consumers in Canada faced a 59 percent increase in ATC fees on airline tickets. In the United Kingdom air traffic control fees rose 30 percent, while fees remained relatively constant in the United States with six percent growth. These increases prompted Canadians to cross the border in search of cheaper airline tickets.

Canadians go over to the US to get cheaper airline tickets after Canada’s ATC was privatized

Delta Airlines 2016. “THE COSTS OF PRIVATIZING AIR TRAFFIC CONTROL AND HOW IT WILL IMPACT AIRLINE TRAVELERS” 1 Feb 2016 <http://news.delta.com/sites/default/files/The%20Costs%20of%20Privatizing%20Air%20Traffic%20Control.pdf>

Notably, revenue for NavCanada has increased by approximately 21 percent since 1998, even while its annual flight volume has decreased by 16 percent during that time. That growing revenue and shrinking revenue base could be a result of increased traveling costs for consumers. Media reports have already highlighted a phenomenon known as “passenger leakage,” in which some Canadians chose to drive across the border to American airports in search of cheaper airline tickets.

Canada had higher taxes and fees added to ticket prices – even after ATC privatization was supposed to solve

Delta Airlines 2016. “THE COSTS OF PRIVATIZING AIR TRAFFIC CONTROL AND HOW IT WILL IMPACT AIRLINE TRAVELERS” 1 Feb 2016 <http://news.delta.com/sites/default/files/The%20Costs%20of%20Privatizing%20Air%20Traffic%20Control.pdf>

US supporters of privatization have argued for a shift to user fees as the primary source of revenue for ATC, claiming it will eliminate federal fuel and ticket taxes. However, industry developments in Canada have shown that ATC privatization does not prevent airline tax increases at both a federal and local level. An example is the aviation fuel tax in Ontario, Canada. In 2014, the Ontario government approved a plan to increase the tax from its previous rate of 2.7 cents per liter to a new rate of 6.7 cents by 2017 — a total increase of approximately 148 percent. The private ATC funding source of user fees apparently did not dissuade the Ontario government from hiking a tax that would have supported ATC under a publicly funded system. A user fee system would operate similarly to a flat tax on airplane seats. Rather than taxes appropriate to the price of the ticket purchased, the user fee would be a standard figure for all seats on a plane. This regressive model would put a heavier burden on working and middle class passengers by charging the same user fee to all, regardless of the cost of the ticket.

1. Board capture

Link: Airlines would take disproportionate control of the governing board of an outsourced ATC

Delta Airlines 2016. “THE COSTS OF PRIVATIZING AIR TRAFFIC CONTROL AND HOW IT WILL IMPACT AIRLINE TRAVELERS” 1 Feb 2016 <http://news.delta.com/sites/default/files/The%20Costs%20of%20Privatizing%20Air%20Traffic%20Control.pdf>

The FAA’s strong track record has led some of the largest airlines to praise the agency as the “safest ATC system in the world.” At the same time, however, those airlines argue that the ATC system should no longer be operated by the FAA, but rather be removed from the FAA and placed under the control of a corporate entity outside the Federal government. These critics of the current system cite the Canadian model, a non-profit entity run by a board of directors, as the structure they seek to replicate. However, in Canada airline stakeholders appoint one-third of board members, while the government only appoints three of the fifteen seats. Simply put, Air Traffic Control under this model is ceded to airlines and corporate entities that would then have a larger say in priorities.

Link: Under AIRR, large commercial airlines would have the largest presence in the ATC governing board

Rep. Peter DeFazio 2016 (congressman from Oregon) 11 Feb 2016 “The devolution of aviation safety” <http://thehill.com/special-reports/269046-the-devolution-of-aviation-safety>

This week, the U.S. House Committee on Transportation and Infrastructure will consider the Aviation Innovation, Reform and Reauthorization (AIRR) Act, legislation that would shift air traffic operations to a private corporation and leave the FAA’s critical safety functions subject to congressional appropriations. This legislation devolves federal responsibility for our air traffic control system by handing it over to a private corporation, ATC Corp., which would be run by an 11-person board of industry representatives. Large commercial airlines would have the largest presence on the corporation’s board, with four members.

Link: Canadian system lets corporate interests outweigh government interest in maintaining the public good

Delta Airlines 2016. “THE COSTS OF PRIVATIZING AIR TRAFFIC CONTROL AND HOW IT WILL IMPACT AIRLINE TRAVELERS” 1 Feb 2016 <http://news.delta.com/sites/default/files/The%20Costs%20of%20Privatizing%20Air%20Traffic%20Control.pdf>

Some proponents of ATC privatization in the US have argued for a scheme most similar to the one chosen by Canada. This would establish a private, non-profit entity — similar to Nav Canada — that would operate ATC in the US, while the FAA would retain oversight of air safety. Upon taking a closer look, corporate interests in Canada outweigh the government’s interest in maintaining the public good. Of the fifteen members of the NavCanada board, airline stakeholders appoint five – one third of all seats – while the Canadian government appoints only three.

Impact: Loss of democracy (taxation without representation) and consumers harmed

Rep. Peter DeFazio 2016 (congressman from Oregon) 11 Feb 2016 “The devolution of aviation safety” <http://thehill.com/special-reports/269046-the-devolution-of-aviation-safety>

Like NavCanada and NATS, ATC Corp. would determine policy for the whole industry, including flight routes, schedules and airplane noise issues. The corporation also would have the power to shift operational costs to passengers, general aviation and other users with increased taxes and fees. Today, passengers have influence through their elected representatives regarding aviation taxes, which are set by Congress and pay for the system. Under the AIRR Act, ATC Corp. has the power to shift operational costs to passenger, general aviation and other users of the national airspace system with increased taxes and fees. Under this proposal an unelected private corporation, including the airlines that charge $25–40 per passenger bag, would determine how much consumers should pay for air traffic control.

1. Small airports / rural communities harmed

Link: Smaller airports would limit flights or close, forcing people to drive much further to urban airports

Delta Airlines 2016. “THE COSTS OF PRIVATIZING AIR TRAFFIC CONTROL AND HOW IT WILL IMPACT AIRLINE TRAVELERS” 1 Feb 2016 <http://news.delta.com/sites/default/files/The%20Costs%20of%20Privatizing%20Air%20Traffic%20Control.pdf>

Effects of privatizing ATC could also place a greater financial strain on smaller airports that serve rural communities and other populations located outside major urban centers. If those smaller airports were forced to limit flights or close due to high costs, many would be forced to drive much further to large urban airports in order to access the same service they are currently accustomed to receiving around their communities.

Impact: Rural economy harmed

Delta Airlines 2016. “THE COSTS OF PRIVATIZING AIR TRAFFIC CONTROL AND HOW IT WILL IMPACT AIRLINE TRAVELERS” 1 Feb 2016 <http://news.delta.com/sites/default/files/The%20Costs%20of%20Privatizing%20Air%20Traffic%20Control.pdf>

Diminished service at small airports in rural and suburban areas could have negative impacts on residents traveling on commercial flights out of those areas. Residents could be forced to drive to larger airports in urban areas — potentially hundreds of miles away — in order to access the same airline service that they currently enjoy close to home. The UK Airports Commission report also noted that the decline in service at smaller airports has begun to impact local economies outside urban centers.

1. Taxpayer ripoffs

Air traffic control assets worth billions are given away for free, and taxpayers would be on the hook for bailouts

Rep. Peter DeFazio 2016 (congressman from Oregon) 11 Feb 2016 “The devolution of aviation safety” <http://thehill.com/special-reports/269046-the-devolution-of-aviation-safety>

Under the AIRR Act, American taxpayers would get a deal that is far worse. The bill gives the FAA’s air traffic control assets, worth tens of billions of dollars and paid for by taxpayers, to the private ATC Corp. for free. Over the last 20 years alone, taxpayers have invested more than $53 billion into air traffic control facilities and equipment. Many of those assets are handed over to ATC Corp. if the AIRR Act is passed. Taxpayers also have no protections if ATC Corp. runs into financial trouble and can’t afford to manage air traffic control operations — meaning taxpayers would be on the hook to bail it out.

1. National Defense Emergencies

Link: Privatization through AIRR would cut the link between Dept. of Defense and FAA

Rep. Peter DeFazio 2016 (congressman from Oregon) 11 Feb 2016 “The devolution of aviation safety” <http://thehill.com/special-reports/269046-the-devolution-of-aviation-safety>

The AIRR Act also severs ties between the Department of Defense and the FAA, a collaboration that has protected the national airspace system during national emergencies. As a non-voting member of the corporation, the Department of Defense will have little control over changes made to the national airspace system.

Impact: Risk to national security outweighs hypothetical budget savings

Kirk Lippold 2016 (*retired naval officer who was the Commanding Officer of USS Cole (DDG 67) when it survived a suicide terrorist attack by al Qaeda. He is a highly regarded national security expert who currently serves as President of Lippold Strategies, LLC.) 10 June 2016 “Privatizing air traffic control jeopardizes national security” THE HILL* <http://thehill.com/blogs/pundits-blog/homeland-security/282910-privatizing-air-traffic-control-jeopardizes-national>

The drive to privatize the Air Traffic Control function within the National Airspace System is moving forward at an unprecedented pace with legislation currently pending before Congress. Unfortunately, the negative impact this proposed statute poses for our national security cannot be dismissed under the guise of smaller, more efficient government and unsupported “budget savings.”

Details & Specifics: 2 examples of national security link. 9/11/2001 and US nuclear bombers

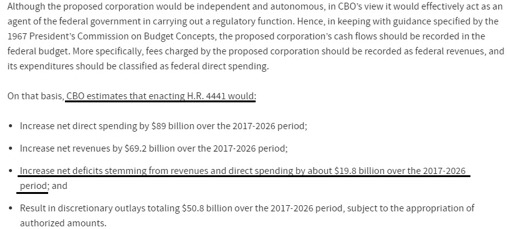
Kirk Lippold 2016 (*retired naval officer who was the Commanding Officer of USS Cole (DDG 67) when it survived a suicide terrorist attack by al Qaeda. He is a highly regarded national security expert who currently serves as President of Lippold Strategies, LLC.) 10 June 2016 “Privatizing air traffic control jeopardizes national security” THE HILL* <http://thehill.com/blogs/pundits-blog/homeland-security/282910-privatizing-air-traffic-control-jeopardizes-national>

As soon as air traffic controllers and the military realized what was happening, aircraft were ordered to land immediately at the nearest suitable airport. Armed fighter jets were scrambled over Washington, DC, and New York City to defend against expected follow-on attacks. It was an amazing feat of communication and coordination. It would not have been possible, however, if there was not a little known but critical component of the nuclear defense posture of the United States involved with the process. Since World War II, the United States has always maintained a robust nuclear and national defense posture. Procedures associated with the execution of nuclear operations are enshrined in an Operational Plan that dictates the how operations will be carried out. The three main components of the nuclear triad consist of manned bombers, intercontinental ballistic missiles, and submarine-launched ballistic missiles. The first component, manned bombers, is inextricably linked to the functioning of the National Airspace System in the event of a national emergency.

1. Higher federal deficits

Link: Congressional Budget Office finds privatization increases the federal deficit $19.8 billion

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>



Impact: Deficits = lower savings rates, higher interest rates, reduced national income, reduced economic growth

Dr William Gale and Benjamin Harris 2011. (Gale - PhD in economics, Stanford Univ.; senior fellow at the Brookings Institution and co-director of the Urban-Brookings Tax Policy Center; former assistant professor in the Department of Economics at UCLA, and a senior economist for the Council of Economic Advisers under President George H.W. Bush; Harris - master’s degree in economics from Cornell University and a master’s degree in quantitative methods from Columbia University; senior research associate with the Economics Studies Program at the Brookings Institution) “A VAT for the United States: Part of the Solution” <http://www.taxanalysts.com/www/freefiles.nsf/Files/GALE-HARRIS-5.pdf/$file/GALE-HARRIS-5.pdf>

But even in the absence of a crisis, sustained deficits have deleterious effects, as they translate into lower national savings, higher interest rates, and increased indebtedness to foreign investors, all of which serve to reduce future national income. Gale and Orszag (2004a) estimate that a 1 percent of GDP increase in the deficit will raise interest rates by 25 to 35 basis points and reduce national saving by 0.5 to 0.8 percentage points of GDP. Engen and Hubbard (2004) obtain similar results regarding interest rates.

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