National Air Transportation Association
The Voice of Aviation Business

Myths and Facts Surrounding Air Traffic Control Corporatization

One of the biggest challenges facing general aviation is overcoming various assertions made by supporters of ATC corporatization that through deliberate, endless repetition, can become "facts" to policymakers. If left unchallenged, these dubious facts can create a groundswell of support for a user-fee funded air traffic control system.

Myth: Corporatizing air traffic control makes sense because a lot of countries do it

Fact: Proponents of corporatizing air traffic control often hold up the number of privatized air traffic control systems around the world as "proof," suggesting the United States is somehow behind the rest of the world. A close look reveals the size of these systems and the level of investment is significantly smaller than the U.S. system, in some places creating minimal levels of surveillance where none had previously existed. In the case of Canada, NavCanada was created to address a budgetary crisis in their government. A 2015 DOT Inspector General (IG) report quantified these international air traffic control systems as much smaller and less complex than our own. Also reported by the IG, these air traffic control providers, unlike the FAA, "do not embark on large, comprehensive modernization efforts such as NextGen transformational programs or conduct extensive aviation research and development." Instead, as the report notes, these air traffic providers, including NavCanada, "modernize" by relying on small, incremental changes using off-the-shelf technology.

Myth: The current air traffic control system uses WW2 technology

Fact: A sound bite often tossed around Washington refers to our ATC system as based on "WW2 technology." Proponents of corporatizing ATC should spend some time in any enroute center in the country, the FAA Command Center in Warrenton, VA, the William J. Hughes Technical Center in Atlantic City, NJ, or any of a host of truly high-technology Terminal Radar Approach Control facilities around the nation. While radar is one of the technologies used to provide surveillance of aircraft, other surveillance technologies, including GPS-based ADS-B, and multi-lateration, are also being "fused" with radar data at these high-tech facilities. For a point of reference, we also continue to use electricity, first introduced into our homes in the late 19th century. So, just because a particular technology endures, does not necessarily minimize its relevance. ATC is difficult to discuss in sound bites or elevator pitches. It requires a deep operational perspective to truly understand the impacts of massive change to such a highly developed, safe and stable system.

Myth: A diverse board of directors representing all aviation stakeholders guarantees fairness

Fact: Air traffic control is not a competitive business but rather a monopoly. How exactly is it fair to the traveling public to turn over the public airspace to a group of special interests? Further, follow the money. While such a board may include a diverse group of aviation stakeholders, 90% of the corporation's revenues will be derived from a very small number of those stakeholders – commercial and cargo airlines. Is it reasonable or realistic to expect the CEO of such a corporation to act contrary to the best interests of the group that represents such an outsized portion of the corporation's revenues?

Myth: The current program to modernization of air traffic control, NextGen, is a failure

Fact: A recent FAA report to the Senate Commerce Committee notes the turning point in the NextGen program came in 2010, with the establishment of the NextGen Advisory Committee (NAC). This is the industry-wide, aviation stakeholder group that for the last seven years has been driving where and when the NextGen technologies are deployed. By utilization of the NAC, through 2016, the FAA and industry have a combined 96.2 percent (102 of 106) success rate on meeting and delivering expected outcomes for each commitment. On top of that, 60 of the commitments were completed ahead of time. Through 2016, the entire system enjoyed $2.72 billion in savings in passenger time and occupant safety, as well as reduced fuel and aircraft operating costs. By 2030, total NextGen benefits are expected to be $160.6 billion, based on an investment cost of $35.8 billion by the FAA and the aviation industry. If only the rest of the government could "fail" like this.

Myth: The current budget process is inadequate to meeting the funding needs of air traffic control

Fact: An enduring, over 20 year-old myth. When pressed for what is not currently being funded in air traffic control modernization, proponents tell us the central issue is not modernization funding *today* but in the *future*. This was recently refuted in a bipartisan letter by the Senate Appropriations Committee pointing out that since 2008 Congress has funded air traffic functions <u>at over 99% of the requested amount</u>.

Myth: The FAA needs a "stable" funding stream

Fact: A benefit of the current authorization/appropriations process is the FAA's accountability to the taxpayer. Government agencies looking for "stable" funding are attempting to bypass an important Constitutional requirement. In fact, "stable funding" is code for unlimited funding without oversight or conditions. Certainly, the FAA, as well as other agencies of the federal government that depend on funding not tied to defense or entitlement spending, have been impacted by the budget impasses between Congress and the Administration. However, all taxpayers deserve a federal budget process that proceeds in better order, not a "rifle-shot" solution designed to allow airlines to take control of the public airspace.

Myth: The public will be represented despite taking Congress out of the decision-making process

Fact: The federal government's ability to intervene on behalf of the public is at serious risk in a corporatized structure. One of the benefits of NextGen technology is the ability to utilize airspace more efficiently. While that creates great potential for system users to save money, it also creates potential unintended consequences. For example, for people near the approach paths of our busiest airports, the ability of Congress to intervene in noise issues will be seriously reduced - if not eliminated - by the creation of such a corporation. Removing the public's ability to seek relief through Congressional oversight leaves costly federal litigation as the only method of redress from corporate decisions.

Myth: Rural America will benefit from the creation of an air traffic control corporation

Fact: In this myth, we are told an air traffic control system can be operated more efficiently by running it like a business – driving more efficient allocations. Currently, our nation enjoys the benefits of a _national_ aviation system, deployed consistent with other national investment policies, including the national highway system and taxes/programs devoted to the ubiquitous deployment of broadband. As a result, aviation investments are often in low density areas that benefit from the connectivity it provides. Businesses locate to these regions and new air service models spring up to serve these areas following the airlines retreat to more profitable routes. Corporatizing air traffic control puts the national aviation system at risk. Either these areas will see reduced investment or the corporation is nothing more than the flying Post Office.

Myth: The government cannot develop and deploy cutting edge technology

Fact: The Internet. GPS. Stealth technology. These are just a few of the high-tech products that have changed the lives of all Americans but were actually developed under the supervision of the federal government. To say it can't be done is ridiculous, flying in the face of both past successes and the current assessment of the FAA's modernization. Early in 2017, the Senate Appropriations Committee described NextGen as "delivering real cost-saving benefits that are improving the way air traffic flows, while also providing advanced procedures, technologies and tools that allow commercial airlines to carry more passengers and cargo on schedule, on-time, and safely to their destinations."

The real result would be delayed not accelerated modernization. The NextGen Advisory Committee has been advising the FAA on investment strategy for the last seven years with the same broad industry involvement that is being proposed, so it unlikely that NextGen implementation would be any different. Of course, that result would only come after the corporation is organized and the obligatory "time out and review" that comes with the stand-up of any new organization.

Myth: There needs to be a wall between safety regulation and air traffic operations

Fact: Lately, the airlines have added that allowing the FAA's safety and air traffic operations to communicate is akin to mingling "church and state." That sounds disturbing, unless of course you realize that important, constant communication between the FAA's safety offices and ATC operation has resulted in the world's safest, busiest, and most complex system. A lot of time and effort was wasted before these close communication channels were in place because Air Traffic Systems were developed without a clear understanding of total safety requirements and subsequently had to be modified or scrapped. Can you imagine designing an airplane without understanding the safety design requirements and then approaching the FAA for certification at the end of the project? Definitely not a model for success. We have carried five billion passengers without a scratch in the U.S. so maybe this isn't the right time to tear apart the relationships that are working.