Myths vs. Facts: Privatization of the U.S. Air Traffic Control System

GAMA addresses some of the most prominent misconceptions about the air traffic control privatization proposal within the House Transportation and Infrastructure Committee's FAA reauthorization bill, H.R. 2997.

Airport and Airspace Access

Myth: The proposed corporation will protect and maintain small and rural community access to the National Airspace System.

Fact: Congress and the FAA have always supported air traffic service and airspace access for all communities and stakeholders. There is no guarantee the corporation would maintain service to all parts of the U.S. if the corporation's private board deems it not in its interest.

Details: The corporation could restrict general and business aviation access to airports and airspace. Users would only be able to challenge these restrictions in a limited manner, via potentially lengthy and expensive legal proceedings.

General Aviation

Myth: This proposal is a "big win" for the general aviation community and they support it.

Fact: Over 200 general aviation industry groups oppose the proposal due to concerns about its detrimental effects on aviation users and taxpayers, air traffic modernization and access for and investment in rural and small communities.

Modernization

Myth: The FAA has failed to successfully implement the Next Generation Air Transportation System (NextGen), which is decades over schedule with billions of taxpayer dollars spent and chiefly responsible for aviation system delays.

Fact: In September 2017, the Government Accountability Office released a report showing NextGen is on track, addressing concerns and is within 2007 cost estimates. Additionally, the most recent available federal data from the U.S. Bureau of Transportation Statistics shows commercial airlines' own operational failures cause 46 percent of all flight delays, while air traffic control causes only 14 percent. Further, multiple airlines leaders and executives, including Delta, United and JetBlue, credit NextGen procedures and technologies with improving commercial flight efficiency in the air and on the ground.
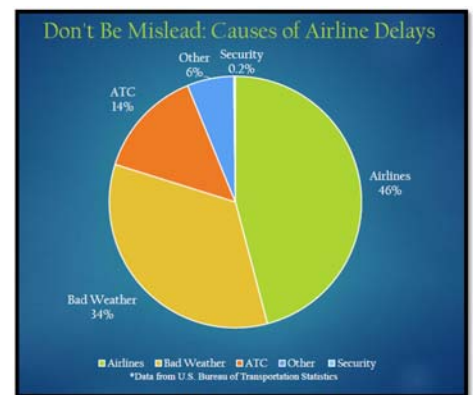
Public Interest

Myth: The new corporation's board will operate the air traffic control system with the public interest as a priority.

Fact: With only one air traffic control system in the U.S., any entity operating it has a monopoly. Under operation of this proposed corporation, a small board comprised of private interests would control the system

with no oversight or competition.

Details: Though the corporation is proposed as a not-for-profit, the fiduciary responsibility of its board of directors would ultimately be to the corporation, not the public. The corporation would derive its revenues from commercial airlines, whose representatives would dominate the board of 13 directors and have the ability to skew decisions to their benefit.

Targeted Reforms

Myth: The only solution to the problems caused by the FAA bureaucracy is to pass the air traffic control privatization proposal contained in H.R. 2997.

Fact: Congress, the FAA and industry stakeholders could work together to implement targeted reforms that would resolve current issues without jeopardizing the public interest, risking system safety or delaying progress on ongoing modernization efforts.

Details: The U.S. has the largest, most complex, and diverse airspace system in the world. Due to the uniqueness of the U.S. aviation system, the U.S. Department of Transportation Inspector General and Government Accountability Office question whether other countries' experience can be applied to the U.S. system. Moving this system under oversight of a private entity, like the one proposed in H.R. 2997, would likely result in a long and costly transition, modernization delays and negative consequences for small and rural communities, national security and community concerns about noise.

Taxpayer Exposure

Myth: Putting the U.S. air traffic control system under the operation of a non-government corporation would reduce costs for taxpayers.

Fact: A recent Congressional Budget Office report shows the proposal to privatize air traffic control would add nearly $100 billion to the federal deficit over the next 10 years. Additionally, with only one National Airspace System that is vital to the U.S. economy and its connection with the world, this new private entity would be "too big to fail," requiring financial assistance from the federal government and therefore, taxpayers, to ensure it does not collapse.

Details: The proposed corporation will receive all necessary government assets free of charge, including air traffic control facilities and telecommunications infrastructure worth billions of taxpayer dollars. The corporation could then borrow on these assets to invest in new or emerging technology to facilitate modernization of the system, putting taxpayer paid-for assets at risk for losses.