

# SO-CALLED “PRIVATIZATION” OF AIR TRAFFIC CONTROL: NOT CONSERVATIVE OR FISCALLY RESPONSIBLE

With the Federal Aviation Administration (FAA) operating under a temporary authorization expiring on Sept. 30, H.R. 2997 was introduced in the House of Representatives on June 22 to reauthorize FAA. Of specific concern to general aviation, the bill turns over the air traffic control system to a private non-profit entity. Over 100 general aviation groups are opposed to H.R. 2997 as its attempt at “privatization” is instead a giveaway of the system to big airlines, it increases the budget deficit and won’t reduce air traffic delays or rebuild the nation’s infrastructure.

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## AIR TRAFFIC CONTROL “PRIVATIZATION” AS PROPOSED IN H.R. 2997: NOT ACTUALLY PRIVATIZATION

- The bill hands our air traffic control (ATC) system over to a newly formed private non-profit entity governed by a 13-member board selected by the Secretary of Transportation.
- The ATC system managed by FAA is a monopoly, the bill gives control of this monopoly to a non-profit corporation without a competitive bidding process or assessment of the corporation’s technical capabilities and financial strength.
- \$50 billion in ATC system assets (paid for by taxpayers) will be given to the private entity for free, with no way for the government to reclaim them.

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## ATC PRIVATIZATION SIGNIFICANTLY INCREASES THE BUDGET DEFICIT

- The Congressional Budget Office found that ATC privatization will increase the budget deficit by \$100 billion.
- Other privatized ATC systems, including in the UK, required significant government bailouts further increasing the cost to taxpayers.
- In Canada, which has a privatized ATC system, the Government Accountability Office found that service was cut and user fees were increased during times of reduced airline traffic.

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## ATC PRIVATIZATION NOT STRUCTURED TO REDUCE COSTS

- Members of the air traffic controllers union will receive their same pay and benefits once transferred to the private ATC corporation.
- The union must be consulted on all future personnel reforms and changes, making it difficult to see how the private ATC entity could reduce costs without shrinking the system or increasing costs for users.

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## ATC PRIVATIZATION WON’T REDUCE DELAYS OR IMPROVE INFRASTRUCTURE

- DOT data shows that airline delays and weather, not the ATC system, are responsible for 80% of flight delays.
- Airlines have been increasing the scheduled time for their flights to boost on-time performance and account for ground congestion caused by their scheduling practices.
- ATC privatization won’t increase investment in airport infrastructure, add new runways or gates, or allow airlines to fit more aircraft on the ground at hub airports.
- While H.R. 2997 authorizes more funds for airport improvements, it does not actually provide any additional funds or explain where they will come from.
- Since airlines have been slow to invest in modern avionics technology, ADS-B which allows aircraft to be tracked via GPS cannot be fully implemented.

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## ATC PRIVITIZATION GIVES SIGNIFICANT CONTROL OF THE SYSTEM TO COMMERCIAL AIRLINES

- Eight of the 13 seats on the board are controlled by airline-related interests.
- The Board and Secretary of Transportation can reduce/restrict access to an airport or airspace so long as the restriction doesn’t reduce safety.
- For business aviation, many restrictions, such as prioritizing approaches to LaGuardia and JFK over Teterboro and White Plains don’t reduce safety, but cause significant economic and operational harm.