

# U.S. Air-Traffic Liberation

*Congress tries to give the ancient system an upgrade.*

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*photo: getty images/istockphoto*

Next time you're 27<sup>th</sup> in line for takeoff on an airport tarmac, thank the federal government. The Federal Aviation Administration runs an air-traffic control system on the best technology World War II could offer,<sup>1</sup> so it's good news that some in Congress are trying to free up the aviation community to adopt better practices.

The House Transportation and Infrastructure Committee has proposed a bill that would set up air-traffic control as a nonprofit corporation governed by a board of 13 players—airlines, pilots, controllers and more. The FAA would retain its role in regulating safety. Instead of funding air-traffic control through taxes, the nonprofit would collect fees directly from customers.<sup>2</sup>

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<sup>1</sup>aiR footnote: this is sensationally inaccurate. WSJ knows it is, but they push lines like this to serve commerce.

<sup>2</sup>aiR footnote: actually, the bulk of FAA/ATC is already funded via fees on customers. The key difference would be the creation of a new ATC entity that is insulated from Congress, exempt from laws such as FOIA, kind of like setting up your email on a private server in an extra bathtub.

U.S. airlines will serve a billion passengers a year by 2029,<sup>3</sup> but the FAA hasn't rebooted since the 1960s.<sup>4</sup> You may have more accurate traffic and weather information driving with an iPhone than a pilot cruising at 30,000 feet,<sup>5</sup> as the Reason Foundation's Robert Poole puts it. Radar still tracks flight location, though GPS can beep out a more precise measurement. Flights last longer thanks to meandering routes<sup>6</sup> as planes pass from one control center to the next. Inefficient patterns burn up fuel.<sup>7</sup>

The agency has long planned an overhaul called NextGen that would switch some capabilities to GPS, among other innovations. That has blown up in the hangar: The original cost estimate—\$20 billion each from the feds and industry—is off by “an order of magnitude two to three times,” says the Transportation Department's Inspector General. Eight of 15 major acquisition programs crashed through their budget by \$3.8 billion, with four-year average delays. The FAA will miss the 2025 completion date by as much as a decade.

Past legislation has exempted the agency from procurement laws, added performance-based compensation and more, to no good result. The \$15 billion FAA budget nearly doubled between 1996 and 2012, while productivity declined, according to a January IG report.

Enter the Congressional cavalry, with House Transportation Chairman Bill Shuster's plan to spin off the FAA's air-traffic duties. This is not a radical idea. More than 50 other countries have adopted such systems, including Australia, New Zealand and Canada.

A 2005 Government Accountability Office report reviewed five corporate air-traffic authorities and found that safety either improved or stayed the same. GAO also found the providers much more nimble in taming costs and installing technology. The government can then devote more resources to safety.

The industry is on board, with exceptions. The general aviation community—say, your uncle with a Cessna—worries that corporate control will harm hobbyists, but the bill exempts such users from fees and bans restricting airspace based on who pays. [Delta Air Lines](#) says consumer fees will skyrocket, but in Canada inflation-adjusted fees have dropped by 30% since the switch.

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<sup>3</sup>aiR footnote: The number of passengers is not the relevant parameter. What matters to ATC is number of flights, which has declined substantially from peak years: down 21% at the thirty busiest airports, a down 31% at the 100 busiest airports, and down 45% at all 504 towered airports combined.

<sup>4</sup>aiR footnote: Like all federal agencies, every year and for decades, FAA produces annual reports and goes before Congress seeking more money to expand their programs. The salespitch ALWAYS includes glowing declarations of shining accomplishments. This article pretends none of that ever happened, which is absurd.

<sup>5</sup>aiR footnote: The key word here is you MAY have better weather. In reality, not even close. The aircraft, ATC, and the entire system have had a wealth of valuable real-time & forecast weather data/products to work with, as has been the case for decades. Again, this article is absurd in its misrepresentation of facts.

<sup>6</sup>aiR footnote: The 'meandering routes' is an odd myth that fits a handy but knowingly inaccurate graphic. Airlines acquired technologies to fly long, straight-line direct routes way back in the 1970s, and ATC has been issuing 'direct routes' for many decades now. When these meandering routes do happen, it is nearly always due to an aircraft equipment failure, which is very rare.

<sup>7</sup>aiR footnote: What also burns up lots of extra fuel is FAA's refusal to impose schedule discipline; the agency serves the airlines only, and allows them to schedule too many arrivals at the superHub airports, nearly all of which are effectively 'schedule monopolies'. Arrival patterns get stretched out for tens of extra miles, and the impact upon residents below is nothing to brag about, either! On top of that, the distant passengers travels is increased by routes via hubs (vs direct-line routes), which in itself may be causing U.S. aviation to burn 10-20% or more fuel than needed.

Delta's dissent is rent-seeking: The company's aircraft are on average years older than competing fleets, and retrofitting would be costly.<sup>8</sup>

The air-controllers union has defeated previous reform, but this time it's on board in part because its members are desperate for better equipment.<sup>9</sup> The Heritage Foundation has called this a union giveaway, but the bill merely carries over the union contract until it expires and allows the corporation to renegotiate. Calling strikes and slowdowns is still prohibited under law.

Another worry on the right is that the company could become Fannie Mae of the air, but it'd be a nonprofit with no appropriations from Congress and no taxpayer guarantee. Many on the left can't abide anything with the word "private," even as they gripe about America's "crumbling infrastructure."

Kansas Republican Mike Pompeo has stoked fears about less Congressional oversight, which is part of the point. Mr. Pompeo also says the proposal hands air space to "special interests," ostensibly because airlines have seats on the board. But two seats go to Transportation Secretary appointees who will push consumer interests, and one to the pilot's union, which would hardly sign up for whatever airlines wanted.<sup>10</sup>

The Shuster proposal isn't perfect, but it's the best opportunity in years to bring air travel into modern times. Passengers burn \$17 billion a year from delays, cancellations and missed connections, adding up to \$30 billion in losses to the economy.<sup>11</sup> Republicans have an opening, if they'll seize it, to allow private expertise to handle 24-hour airspace the government has proved inept at managing.

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(Highlights, footnotes and minor edits may have been added by aiREFORM)

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<sup>8</sup>aiR footnote: Interesting that WSJ would directly attack Delta. One gets the impression the revenues from the airline lobby and the other airlines must be large enough to offset the loss if they piss off Delta.

<sup>9</sup>aiR footnote: All the controllers want out of this is an exemption, so their pay can surpass the congressionally set limit (\$185,100 this year). A huge number of actual working controllers are opposed to this, but the NATCA leadership supports it ... again, primarily because NATCA leaders are topped out pay-wise and will retire soon (so the changes 5-years down the road will not impact their personal wealth bottom-line).

<sup>10</sup>aiR footnote: Who are you trying to kid, WSJ? A 13-member board with one seat to a pilot's union, and you imply that that one seat will have a meaningful voice? And, given your conservative history consistently bashing the ineffectiveness of government, can't you see how it smacks of hypocritical doublespeak for you to declare "...two seats go to Transportation Secretary appointees who will push consumer interests...?"

<sup>11</sup>aiR footnote: more sensational and unsupported bullshit. The savings would be **HUGE** if FAA imposed meaningful airline schedule discipline and reset the fees/taxes to disincentivize superHubs and fuel-intensive indirect routes. Additionally, such changes would reap great benefits to both passengers (shorter trip times) and residents under low-altitude routes (less noise, and elimination of many repetitive-noise patterns).