

# Air Traffic Control Modernization: Privatization Won't Fix It.

Michael Boyd, Forbes | FEB 15, 2017



*A plane flies next to the Belgocontrol tower ahead of the presentation of the 2014 annual air traffic control organization report on June 4, 2015 in Steenokkerzeel. NICOLAS MAETERLINCK/AFP/Getty Images*

The recent meeting between aviation leaders and President Trump focused heavily on infrastructure. One key area was the need to modernize the US air traffic control system.

That's no big revelation. The FAA has been stumbling through "modernization" programs for the better part of forty years, with not a lot of progress.

To discuss this at the presidential level, particularly with a President that has some understanding of aviation, is a great step.

Unfortunately, instead of focusing on the need for quantifiable results, it seems the general media take from this meeting was that privatization and more money will be the solution to implementing an air traffic management system for the future.

Nothing could be further from reality. Actually, tossing pixie dust at the program will be just about as effective.

That's because the problems with ATC modernization are due to neither government control, nor funding. Those are just part of a veneer smokescreen to obscure the real issue: a long string of management incompetence in ATC programs for the last four decades.

In regard to ATC modernization, what we've seen since at least as far back as the Carter Administration is years of missed deadlines, wasted tax dollars, and billions in extra travel costs passed on to the consumer. Furthermore, the data clearly show that it's still going on today.

### *The NextGen Illusion.*

The FAA has been successful in convincing the media – and, unfortunately, the airline industry – that they have the solution. They call it “NextGen” but the FAA fails to mention it's just a relatively new moniker for a program that represents at least a quarter century of near-zero results for the US air traveler.

But they have been masters at pawning NextGen off as whole new technology that will transform the skies. And this gets bought into by the media like gullible “marks” at a rigged carnival game.

To be sure, the presentations and documents issued by the FAA tell a great story about what NextGen is and how it's different from the current system. The official line is that NextGen is all new technology, and just you wait, it'll really loosen up the skies. When? Not sure. How much more capacity? No idea.

It all sounds so positive, until one looks at the track record and the fact that other than illuminating what they pass off to be great new equipment, there isn't a lot of meat on the bone regarding any forecasts of future air traffic volume and how NextGen's development trajectory will meet it. All they tell us is that they're making great progress in implementing new equipment.

As for the lack of truly hard results, the lore tells us that the whole program has been unfairly hamstrung by government red tape and lack of money. From this comes the automatic conclusion that privatizing it will make it all better. It won't.

### *DOT IG and GAO Studies Tell a Different Story.*

Repeated reports from these offices reveal a very different set of facts – that NextGen's problems are due to poor leadership, and unclear goals. Worse, these studies have concluded that NextGen does not represent a system that's transformative compared to that of today. Here's a snippet from just one such GAO report from 2015 about just one part of the modernization program:

*“FAA lacks well-defined policy, equipment standards, certification and operational approval guidance, procedures, and round automation – all prerequisites for a successful rulemaking effort... as a result, FAA will not be in position to mandate ADS-B (a key modernization component) for several years.”*

Funny, but none of this is repeated in the FAA's glowing four-color brochures on NextGen. Rather than go into more of these reports here, we'd suggest that the network correspondents and others covering ATC should do their own homework. What they will find is consistent: the failure is due to inept planning and execution.

Current calls for privatization don't even mention this as an issue.

Conclusion: if the new administration decides to just privatize the ATC system, we are guaranteed to see more of what we've seen for the past forty years – results that don't translate into more air transportation efficiency for the consumer.

## *Buzz-Terms. Not Results.*

Nevertheless, we continue to get the FAA party lines about all the new whiz-bang equipment being installed, and the potential benefits. Too many in the media repeat this with the same assurance as if Moses had just dropped it off on his way home from Mount Sinai. Examples:

**“It’s satellite based, doing away with old-fashioned radar,”** the stories trumpet. This, without the reporter having a clue as to what it means in regard to better managing aircraft across the skies. Hint: this is the communications link. That’s only a part of managing the skies, and when it’s attached to an FAA program that doesn’t work, it makes not a lot of difference.

**“It’s a matter of the FAA not having reliable and consistent funding...”** is another “truth” reporters tend to parrot, without a shred of evidence to back it up as a reason for NextGen’s non-results. We’d note that the GAO and DOT IG studies regarding NextGen are focused on shortfalls in functional and planning issues, not finances.

**“Privatization can free the program from the grip of government procurement bottlenecks...”** Yes, it might. But this isn’t within several galaxies of the reasons that NextGen is going nowhere fast.

So, amid all this happy hope that President Trump will unshackle the ATC system, privatize it and modernize the skies over America, here is a cloudburst of facts to rain on that parade.

**No, It’s Not a Funding Problem.** It could be at some point, but the reasons that NextGen is so devoid of results and a champion of missing deadlines is due to management indirection, according to the GAO. Folks spouting that it’s only a matter of funding don’t know what they are talking about.

**It’s Mostly YesterdayGen.** NextGen is not in itself new technology. Instead it is a program to use technology. It’s the same approach that the FAA has taken for 25 years, and only in the last few years did they start using the name “NextGen.”

**Privatizing the Problem Won’t Fix it.** The core of the calls for “privatization” is based on the false assumption that freedom from the cloak of government will unleash the wonders of NextGen. It might. But not if the same senior management now in place is retained, which is inherent in the calls to take the program away from the FAA.

**No, The Skies Are Not Increasingly Crowded.** Another troubling fact for the FAA to deal with is that while they have been missing deadlines to modernize the air traffic control system, the volume of airliners in the sky has actually dropped.

This is another fact that gets lost in the expensive PR put out by the FAA. In 2016, there were 1.52 million fewer flights in the sky than in 2007. That’s almost 16% down. One would think that with lower volume of airplanes in the sky and all the wondrous progress that the FAA claims is being made, airliners would be arriving much more on schedule.

But here’s a fact: typically, the monthly rate of airline “on schedule” arrivals today is no better than it was in 2008... around 86% within 15 minutes of what the airlines publish. Some months it’s worse. This does not account for the fact that some airlines have added minutes to their schedules, to accommodate the uncertainty of the ATC system.

**Yes, The Industry Supports NextGen... But What About the Future?** This is not to say that all the dollars spent on new equipment and new procedures and other features have gone completely to waste. There are some new efficiencies in the system. But there are two problems that are not being addressed. The first is that what is now in place is partial, and there is a decided void at the FAA in terms of trying to project out what the nation will need in regard to air traffic growth. The second point is where the rubber meets the runway: there isn't much to show the consumer – at least in terms of having fewer flight delays.

**Time to Declare This Emperor as Being Without a Stitch.** So, what is the public getting from this NextGen program? Let's recap – there are fewer airplanes in the sky. Lots of new equipment and flashy PR. Yet no material improvement for the consumer, and billions spent on NextGen.

Answer: There is no progress that's yet translating to the flying public, and just taking this NextGen hoedown into the private sector, lock-stock-and-barrel, won't make any difference, because nobody is tumbling to the real problems affecting the current modernization program.

NextGen up until now has had immunity from any hard scrutiny. The group-think in the Washington aviation-industry alphabet groups needs to be brought into reality.

The new Secretary of Transportation has reportedly said she has an "open mind" regarding what to do with the air traffic control system. That should be of great concern. We don't need more "consensus." We need solid, decision and knowledge-based leadership.

We need a clear and immediate plan to implement a modernization program – one that has hard deadlines, clear goals, and absolute accountability.

Privatizing NextGen as it stands today will accomplish none of this. We need the new DOT leader to enter the building with an intellectual flame-thrower, instead of singing a few more bars of kumbaya to the staff.

The next three months should be very interesting. Trump is results-focused, and any cursory look at the "progress" of NextGen should get him to apply to the management at the top of this program the statement he's most famous for:

"You're fired."

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(Highlights, footnotes and minor edits may have been added, but only to add analysis & clarification)