

July 13, 2017

Air Traffic Control: A History of Failed Reforms and Wasted Billions

Dear Colleague:

In 1929, a group of American companies came to together to create the first air traffic control system in the world. They formed a non-profit corporation called Aeronautical Radio, Inc. to provide communication and navigation services for the then-new aviation industry. Yes, air traffic control started as a service offered by the private sector. In 1936, the federal government took it over.

In the last eight decades, aviation has changed dramatically. We have new aircraft that are more efficient, safer, quieter, and can fly further than ever before. Passengers can use Wi-Fi at 30,000 feet. Drones are transforming entire industries. But in the hands of the federal government, America's air traffic control system is the one part of aviation that has lagged far behind the others. Our air traffic controllers use technologies and processes that are outdated, inefficient, and that cost the taxpayer far more than any benefits they actually deliver. For example, our controllers still direct flights by passing small strips of paper from one controller to the next.

The FAA's record of technology "modernization" is a wasteland littered with failed projects that have cost tens of billions of dollars since 1981. A case in point is the FAA's Advanced Automation System (AAS) which began in 1983 with scheduled completion in 1996 at a cost of \$2.5 billion. The cost estimates ballooned to \$7.6 billion with a completion date of 2003. Unfortunately, in 1994, AAS was shut down after spending \$2.6 billion, of which \$1.5 billion worth of computers and software had no use and were completely thrown away. In 1996, in an attempt to revive this failed program, the FAA began working on a technology known as Standard Terminal Automation Replacement System (STARS). During this same time period, Congress passed significant reforms to the FAA's procurement and personnel systems in order to allow the FAA to operate more like a business and actually deliver modern technology. More than two decades later and the FAA finally installed STARS in the Washington DCA tower in 2015. Clearly, the reforms failed, FAA is still operating like a massive bureaucracy installing outdated antiquated technology, but calling it modernization. The FAA continues to over-promise on modernization, while spending billions on technologies and delivering very little in benefits, just as they have since the early 1980s.

The 21st Century AIRR Act (H.R. 2997) will resolve this long-failing arrangement. Rather than futilely rehashing the same failed piecemeal reforms of the FAA, this bill will restore the private sector's role in providing the air traffic control service by creating a fully independent, not-for-profit corporation to safely and efficiently manage the movement of planes from one airport to the next. The FAA will continue to regulate the safety of air traffic control, just as it does for every other aviation business, and continue to oversee our national airspace. Congress will also continue to exercise oversight over every aspect of our aviation system. Since 1987, over 65 countries have separated their air traffic control service provider from their government aviation safety regulator. In each case, they have been successful: achieving equal or improved safety and realizing the benefits of new technology at far lower cost and in less time. This is simply an overdue, good government reform.

We encourage you to support H.R. 2997, the *21st Century AIRR Act*, to bolster American leadership in global aviation by freeing air traffic control from the clutches of federal bureaucracy and restoring private sector innovation to this American-created industry.

Please contact the Aviation Subcommittee staff (ext.63220) to cosponsor this legislation or to follow up with any questions.

Sincerely,

Bill Shuster

Member of Congress