



●●● ISSUE SPOTLIGHT: AIR TRAFFIC CONTROL REFORM

WATCHDOGS & EXPERTS HIGHLIGHT FAA'S INABILITY TO MODERNIZE AIR TRAFFIC CONTROL

The federal government's record of failed, abandoned, and delayed air traffic control modernization programs continues to grow, as identified by the U.S. Government Accountability Office (GAO), the Department of Transportation Inspector General, and other independent organizations and experts:

FAA's Implementation of NextGen and Earlier Modernization Efforts Plagued by Cost Overruns and Delays

"...the initial estimates [for NextGen] from 9 or 10 years back called for \$20 billion in Federal investments, plus another \$20 billion in private investments, with a stated goal of completing implementation of the program by 2025. We are clearly not going to make it all by 2025, and we are clearly not going to make it with a total of \$40 billion in investments, Federal and private. We are probably looking years beyond 2025, perhaps another 10... [with] expenditures in an order of magnitude two to three times that of the initial \$40 billion estimate..."

[- Testimony of Hon. Calvin Scovel, III, Department of Transportation \(DOT\) Inspector General, 2/05/14](#)

"Since our last report, FAA has not adjusted anticipated benefits for its transformational programs, and many benefits remain unquantified, broad, or uncertain for improving the flow of air traffic and reducing Agency operating costs.... In fact, FAA has yet to determine exactly when most of the transformational programs will start delivering benefits, and some of the most significant benefits will be difficult to achieve."

[- DOT Inspector General, "Total Costs, Schedules, and Benefits of FAA's NextGen Transformational Programs Remain Uncertain," 11/10/16](#)

"Since 1981, when these efforts began, FAA's ATC modernization projects have consistently experienced cost, schedule, and performance problems that we and others have attributed to systemic management issues. As a result, FAA's cost estimates have grown and planned improvements have been delayed. Initially FAA estimated that its ATC modernization efforts would cost \$12 billion and could be completed over 10 years. Now, two decades and \$35 billion later, FAA expects to need another \$16 billion through 2007 to complete key projects, for a total cost of \$51 billion."

[- GAO, "FAA's Modernization Efforts—Past, Present, and Future," 10/30/03](#)

Previous Efforts to Reform FAA Have Failed

"Since 1996, FAA has implemented performance-based compensation systems for its workforces, established the Air Traffic Organization (ATO), contracted out its flight service stations operations, and undertaken several reorganizations. However, costs continue to rise while operational productivity has declined."

"FAA's disappointing reform outcomes are largely the result of the Agency's failure to take full advantage of its authorities when implementing new personnel systems, and not using business-like practices to improve its operational efficiency and cost effectiveness.... FAA's organizational culture, which has been resistant to change, further deters its reform efforts."

[- DOT Inspector General, "FAA Reforms Have Not Achieved Expected Cost, Efficiency, and Modernization Outcomes," 1/15/16](#)

International Standards Call for Air Traffic Control Separation to Eliminate Conflicts of Interest

“The notion that operation and regulation should be separate is fundamental. The International Civil Aviation Organization (ICAO), whose principles are the basis for aviation safety regulation throughout the world, calls for the air traffic control safety regulator to be separate from the operation it regulates.”

- [Testimony of Dorothy Robyn \(economist and former White House economic advisor\) before the House Aviation Subcommittee, 3/24/15](#)

Separating Air Traffic Control from the Government in Other Countries Has Led to Better Performance on Safety, Modernization, Service Quality and Costs

“Available data from the five ANSPs [Air Navigation Service Providers] we reviewed indicate that since commercialization, the safety of air navigation services has remained the same or improved.

“All five ANSPs have taken steps to control their operating costs, whether by eliminating some administrative and middle management positions or by consolidating facilities

“...all five ANSPs have invested in and benefited from new technologies and equipment, which the ANSPs say have lowered their costs by increasing controllers’ productivity, and have produced operating efficiencies, such as fewer or shorter delays.”

- [GAO, “Air Traffic Control: Characteristics and Performance of Selected International Air Navigation Service Providers and Lessons Learned from Their Commercialization,” 7/29/05](#)

Aviation officials from six countries that have separated their air traffic control provider from government (New Zealand, Canada, Australia, France, Germany, and United Kingdom) “were unanimous in stating that the separation of the CAA [Civil Aviation Authority] from air traffic service provision was worth it. Among the benefits they expressed were an increased focus on safety by the Regulator and the ANSP, reduction in total cost to users, and improved participation by aviation stakeholders.”

- [The MITRE Corporation, “CAA International Structures,” \(a report commissioned by the FAA\), 10/2014](#)

Budget Uncertainty Underscores the Need for Air Traffic Control Reform

“According to FAA, past budget uncertainty resulting from the sequestration, federal government shutdown, FAA’s 2011 authorization lapse, repeated continuing resolutions, and multiple short-term reauthorizations has affected FAA’s ability to perform its mission.”

“During the week of April 21-27, 2013, sequester-related air traffic controller furloughs delayed 7,099 flights. “

“FAA implemented a hiring freeze at its air traffic controller training academy in Oklahoma City in response to the 2013 sequestration.”

“The 2011 lapse in authorization also had broad consequences for airport infrastructure...For example, work stopped on more than \$10 billion in national airspace and support projects until the authorization was extended.”

“According to FAA, past budget uncertainty has led to NextGen delays.”

- [GAO, “Aviation Finance: Observations on the Effects of Budget Uncertainty on FAA,” 11/19/15](#)