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PROFESSIONAL AVIATION SAFETY SPECIALISTS

1200 G Street NW, Suite 750, Washington, DC 20005
Telephone: (202) 293-7277 Fax: (202) 293-7727

Statement for the Record

“The Need to Reform FAA and Air Traffic Control to Build a 21st Century Aviation System for America”

House Transportation and Infrastructure Committee

Mike Perrone

National President

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The Professional Aviation Safety Specialists, AFL-CIO (PASS) represents approximately 11,000 Federal Aviation Administration (FAA) employees in five separate bargaining units throughout the United States and overseas. The largest PASS bargaining unit is comprised of employees from the Air Traffic Organization (ATO). This bargaining unit includes systems specialists from Technical Operations who install, maintain, repair and certify the radar, navigation, communication and environmental systems making up the air traffic control system in our country; aeronautical information professionals in Mission Support Services (MSS) who develop, maintain and support instrument flight procedures and a variety of aviation products that enhance industry performance and efficiency in the airspace and on the ground; and Flight Inspection Services (FIS) pilots, mission specialists, operations staff and aircraft maintenance employees who are responsible for the airborne inspection of ground- and space-navigation systems to ensure the integrity and safety of the instrument procedures, airways and operational navigation systems that make up the National Airspace System (NAS).

PASS appreciates the opportunity to present our views regarding issues related to reform of the FAA. The United States has the safest and largest aviation system in the world, and the FAA employees represented by PASS ensure that it is operating safely and efficiently every day. PASS hopes to work together with members of Congress as they prepare to reauthorize the FAA, and to ensure that the U.S. air traffic control system remains an important and essential aspect of the federal government.

Economic Impacts

Commercial aviation is a cornerstone of the U.S. economy, accounting for more than 5 percent of the country's Gross Domestic Product. Aviation contributes \$1.6 trillion in total economic activity and supports nearly 11 million jobs.¹ The NAS, which FAA employees design, install, certify, operate and maintain, safely flies over two million passengers to and from their destinations on approximately 23,000 commercial flights every day, which means 7,000

¹ Federal Aviation Administration, *The Economic Impact of Civil Aviation on the U.S. Economy*, p. 3, November 2016. Accessed via https://www.faa.gov/air_traffic/publications/media/2016-economic-impact-report_FINAL.pdf.

commercial aircraft are in the sky at any given time.² This country's aviation system is clearly valuable both in terms of economic impact and services provided. It is obvious that such an asset should be properly funded and overseen. Privatizing the air traffic control system would not do either.

Lapses in authorizations, government shutdowns and across-the-board sequestration cuts can cause major disruptions to FAA's air traffic and safety oversight operations. For example, in 2011, FAA employees were affected by furloughs resulting from a lapse in authority when the short-term extension of FAA's authorization expired. In 2013, the impacts were even more dramatic when automatic funding cuts were imposed through the sequestration process. Flights across the country were delayed due to reduced maintenance and loss of system redundancy. Additionally, the two-week government shutdown in October 2013 prevented aviation safety inspectors from overseeing commercial and general aviation industries; manufacturing inspectors were not reviewing aviation manufacturers, facilities, training programs and equipment; and registration certificates were not issued for U.S. civil aircraft and airmen. According to an estimate from Standard & Poor's, the government shutdown cost the economy \$24 billion, including \$3.1 billion in lost government services.

It is vitally important that Congress adopt a comprehensive, long-term budget agreement to ensure that all critical safety functions of the FAA can be adequately funded. The FAA's current funding structure utilizes the Airport and Airway Trust Fund (AATF) along with a general fund appropriation. The AATF is primarily funded through excise taxes paid by passengers and should therefore be subject to oversight from the public sector. The general fund serves as a critical safety net for the air traffic control system and the flying public in times of national emergency and economic downturns.

However, the committee's previous proposal to reform air traffic control created a system that would be entirely funded by user fees, which will be determined by a board of directors made up of select users of the system. Turning funding decisions over to a private corporation may subject the system to financial hardships. In the case of an economic downturn, it is unclear whether employees would lose their jobs or the aviation system would require a taxpayer bailout. For example, while proponents of privatization continue to cite Canada and the United Kingdom as air traffic control systems the United States should emulate, both systems faced serious financial issues in the period following the events of 9/11 when they experienced downturns in aviation traffic. In the case of the Canadian model, user fees were hiked in order to cut costs while the United Kingdom model took several steps, including obtaining additional funds from the government and implementing automatic price increases triggered by reductions in air traffic.³ Stressing that such a corporation in this country could be considered "too big to fail," a 2016 Government Accountability Office (GAO) report questioned whether the private corporation would resort to such drastic measures and the impact it would have on this country and the American economy.

² Federal Aviation Administration, "Air Traffic by the Numbers," updated October 28, 2016. Accessed via https://www.faa.gov/air_traffic/by_the_numbers/.

³ Government Accountability Office, *Federal Aviation Administration: Preliminary Observations of Potential Air Traffic Control Restructuring Transition Issues*, GAO-16-386R (Washington, D.C.: February 10, 2016), p. 5.

In addition, the remaining safety functions of the FAA would still be subject to the appropriations process and vulnerable to the impacts of sequestration. As such, separating out the ATO does not fully address the FAA's funding problem. There are clearly other alternatives that allow the agency to remain a single unit. PASS will support measures to eliminate the draconian across-the-board cuts caused by sequestration but will not support any effort that will dismantle FAA's current structure through the creation of a private corporation.

With regard to the issue of funding stability, it is imperative that the Congress make every effort to enact annual appropriations bills prior to the beginning of the fiscal year. However, the lack of a timely budget process is no reason to abandon the important and rigorous oversight and protections that are provided to the FAA through the multi-year authorization and annual appropriations processes. PASS appreciates that the recently enacted FY 2017 appropriations bill included multi-year availability and an increase in transfer authority for the FAA's operations account. These additional tools will help the FAA better manage the transition between budget years and ensure that the agency can continue to hire critical safety staff throughout the year.

Additionally, there is little evidence that privatization of the air traffic control system is likely to make the system more efficient or less costly simply because it is transferred from a governmental entity to a private non-profit corporation. Instead, the only significant change is that oversight of the services will move ultimately from the American people, and their elected representatives, to a small board under the influence of for-profit airlines. In fact, the Congressional Budget Office estimates that enacting last year's proposal to spin off air traffic control functions from the FAA would increase net direct spending by \$89 billion from 2017 to 2026 and increase net deficits stemming from revenues and direct spending by about \$19.8 billion over the same period.⁴

Congressional Oversight

It is a fact that congressional oversight would be severely curtailed in a private air traffic control corporation. A corporate board of directors with built-in conflicts of interest and zero congressional oversight or accountability is not the entity that should be responsible for dictating everything from fees to staffing to modernization of the U.S. air traffic control system. The ability for stakeholders and members of Congress to work together on aviation-related issues has been pivotal to the success of our system. In a private corporation, lawmakers will lose the right to provide input on funding, staffing, safety, training and numerous other areas in which congressional oversight is present today.

Furthermore, congressional oversight helps ensure that the flying public has a voice when it comes to aviation-related issues. Today, constituents have the ability to contact their members of Congress when they have a concern related to the aviation system or air traffic. An important issue for many Americans relates to airplane noise and its impact on their daily lives. Under a privatized corporation, the flying public will lose an advocate when dealing with aviation-related issues pertaining not only to noise and other environmental issues but safety as well. For example, when taking into consideration the Canadian model, there have been petitions and

⁴ Congressional Budget Office, *H.R.4441 Aviation Innovation, Reform, and Reauthorization Act of 2016 Cost Estimate* (Washington, D.C.: March 9, 2016).

reports of the private company, Nav Canada, not being appropriately responsive regarding noise complaints.⁵

In addition, many smaller airports across the country are dependent on congressional involvement and support in order to continue to operate. Under a private model, local cities and towns could be increasingly saddled with the costs of keeping their airports open and maintained properly. Americans in rural areas rely on their local, smaller airports for employment, commerce and transportation. Many of these smaller airports will not have a congressional advocate under a private model. It is feasible that a corporation would not focus on maintaining these facilities if they are not profitable, essentially shrinking this country's airspace

Modernization of the System

Proponents of air traffic control privatization often claim that a private corporation would allow the aviation system to modernize at a more efficient rate. However, this argument ignores the very real progress the FAA is making through the Next Generation Air Transportation System (NextGen). In fact, since 2007, NextGen has delivered approximately \$2.7 billion in benefits to airlines and other users, and is estimated to deliver \$161 billion in benefits by 2030.⁶ In 2016 alone, modernization improvements have translated in \$3.75 billion in savings in passenger time and occupant safety, as well as reduced fuel and aircraft operating costs.⁷

Modernization of the system is an essential function of the agency and progress includes installation of new systems and equipment, optimization of airspace and procedures, and continued upgrading and standardizing of automation and communication systems. The realization of NextGen hinges on both air and ground investments, and the FAA cannot be successful without stakeholder buy-in and partnership. An air traffic control system separated from the rest of the FAA, run by a private corporation with special interests, cannot guarantee that modernization work continues. These efforts may be all but lost, as no doubt modernization will be halted during the transition.

There is also considerable concern about what would happen during the transition period when the federal agency is transferred to a private corporation. The transition from public to private governance in other countries took as many as seven years to complete.⁸ Issues faced during the transition period would undoubtedly affect modernization efforts, but the impacts would not stop there. The affect would be wide ranging during the transition, from funding and financing concerns to the separation of safety and regulatory functions to human capital issues. Quite simply, a prolonged transition period will detract from the mission of the agency, and what

⁵ See: NAV-CANADA-Noise over Toronto, 2012 petition started by T.A.N.G. (Toronto Aviation Noise Group) (see also <http://torontoaviationnoise.ca/nav-canada-quick-facts/>), accessed via <https://www.change.org/p/nav-canada-noise-over-toronto>. CBCNews, "Residents want answers at GTAA meeting on Pearson flight noise during runway revamp," April 19, 2017.

⁶ Federal Aviation Administration, *Update to the Business Case for the Next Generation Air Transportation System*, p. 21, July 2016.

⁷ Letter from Administrator Huerta to Senator Thune, December 15, 2016.

⁸ Government Accountability Office, *Federal Aviation Administration: Preliminary Observations of Potential Air Traffic Control Restructuring Transition Issues*, GAO-16-386R (Washington, D.C.: February 10, 2016), p. 10.

should be the only focus, safety. The most important steps we can take are to continue with our modernization efforts, to grow our airspace and allow for the introduction of new technology, all while ensuring the interests and safety of the flying public.

Agency Collaboration

Privatization advocates call for the separation of the Air Traffic Organization (ATO) from the rest of the FAA. Essentially, this would require severing a major section of an organization, placing it in an entirely different structure, expecting it to still interact with the federal agency, but providing no plans or forethought on how this would be accomplished. Collaboration and interaction between every part of the FAA is essential to the success of our aviation system. Stripping the ATO from the federal government will only strain communication and collaborative efforts and bring with it serious consequences.

The ATO interacts daily with the entire agency, including the Office of Aviation Safety (AVS). The relationship between the ATO and AVS is a vital part of operating a safe and efficient aviation system. Consistent and seamless communication is key to the continued safe operation of the system. If there is a deviation or problem with the system, AVS inspectors are able to interact quickly and share information with technicians, controllers and other air traffic control employees. If there is an ongoing investigation, air traffic control plays an important role in providing information and access to data. If there is a system failure that requires an investigation or enforcement action, how would a private corporation investigate? In addition, AVS would be required to oversee the new private entity, which is concerning considering that there are already a limited number of inspectors. It is unclear how the remaining part of the FAA will be able to provide adequate oversight of the new corporation.

The FAA and other federal agencies also share resources, facilities and information. For instance, the FAA shares services and facilities, including radars, with the Department of Defense (DoD). This requires sharing of critical information relevant to national security. In the case of a national emergency or natural disaster, that sharing of resources and information would be critical. The FAA and DoD interact on a regular basis, including collaborating on NextGen initiatives, safety and rulemaking, and integration of unmanned aircraft systems (UAS). This level of collaboration would no doubt be altered under a private corporation. Even more concerning, with DoD contributing approximately 15 percent of NAS services, it is not clear whether established air defense procedures could be turned over to a non-governmental organization.⁹

Security also becomes a concern under a privatized model. According to the GAO, many of the FAA's security functions are integrated throughout the agency and coordinated with other government agencies. This sensitive information is related to terrorism concerns, cyber security threats as well threats to the aviation system as a whole. This security and the coordination involved is essential to safety of the aviation system, and it is concerning whether that level of interaction is even possible with a non-governmental organization.¹⁰

⁹ Government Accountability Office, *Air Traffic Control: Experts' and Stakeholders' Views on Key Issues to Consider in a Potential Restructuring*, GAO-17-131 (Washington, D.C.: October 2016), p. 18.

¹⁰ Id.

FAA Employees Must Remain Federal Employees

Ensuring that the men and women who perform this vital work remain federal employees is of fundamental importance in maintaining a safe and efficient NAS. These employees include Technical Operations systems specialists who install, maintain, repair and certify the complex systems that make up the NAS. These federal employees are extensively and specifically trained on a variety of interconnected, specialized systems and equipment in order to fulfill the responsibility of protecting aviation safety. For example, system certification, the process in which a certificated FAA systems specialist checks and tests systems or equipment on a periodic basis in order to ensure that the systems or equipment can be safely returned to service and not negatively impact any aspect of the NAS, has been deemed inherently governmental by the FAA.¹¹ The FAA's certification process has been successful for decades and is a key element in maintaining the safest and most efficient air transportation system in the world. At more than 340 facilities nationwide with over 70,000 certifiable systems and equipment, FAA systems specialists are the only individuals with the clearance, authority, skill and expertise to perform this work to keep the system safe.

In addition, Flight Inspection Services (FIS) professionals and aeronautical professionals in Mission Support Services (MSS) support pilots, air traffic controllers and aviation planners through the development and maintenance of all public instrument flight procedures and airways. These responsibilities include developing, maintaining and assuring the integrity and safety of flight procedures to support NextGen advancement in the NAS. The development, implementation, flight inspection and maintenance of flight procedures requires the proper interpretation of a complex series of computations, measurements and modeling standards, strict compliance with diverse criteria, extensive coordination with multiple stakeholders, and the frequent adaptation of procedures in a constantly evolving aviation environment. FAA specialists oversee the NAS in order to make sure everything aligns safely and is working efficiently, which should clearly remain a function of the federal government. Thanks to these employees and other safety professionals at the FAA, the United States enjoys the safest air traffic control system in the world.

Without a doubt, current federal workers will face serious repercussions if stripped from the federal government. Privatization advocates claim that current FAA employees moved over to the private corporation would retain their same pay, health care and pension benefits but newly hired employees would be under different systems. This will no doubt create confusion and potentially result in serious workplace issues. Employees performing the same job, but with different pay and benefits, will surely lead to low morale and possibly to problems in retaining and attracting skilled and talented employees. The transfer of pay, health care and pension systems are all extremely complex issues that the AAIR Act failed to address, and ultimately raised more questions than answers. To make matters worse, the number of FAA employees eligible to retire continues to rise and, combined with the long training period for an employee to be able to fully perform functions, this brings forth additional concerns related to retention and recruitment efforts. And it certainly bears mentioning that many of the impacted employees are

¹¹ Manager, General Law Branch, AGC-110, memorandum to Manager, Maintenance Engineering Division, ASM-100, "Contractor Certification of Navigational Systems in National Airspace System (NAS)," June 18, 1991.

former military and committed to serving the public. If this country is going to continue as the aviation leader, it must have a strong ability to recruit and retain employees.

Conclusion

While proponents of privatization claim other countries have been successful, they fail to mention one very important fact: any country that has attempted privatization has been working with a far smaller system and airspace. Consider that the U.S. airspace is over 75 million kilometers compared to 18 million in Canada. Simply stated, there is no comparison between our airspace and that in foreign countries and the United States should not be used as a test case.

Overhauling the entire aviation system by removing air traffic control from federal oversight and funding will be a serious setback for its development and growth. Our air traffic control system is a national public asset and PASS strongly believes it should remain in the public trust. The FAA's handling of air traffic control receives approval ratings of well over 80 percent from the public.¹² That same survey indicated that the majority of Americans do not believe the system should be privatized.

Considering the economic contributions of the aviation system, and the thousands of American jobs it supports, this country cannot gamble with the future and safety of our air traffic control system. The federal employees at the FAA represented by PASS are committed to ensuring the safety and efficiency of this country's aviation system. PASS asks that members of Congress work together to reauthorize the FAA while ensuring it remains a cohesive unit of federal employees.

¹² Alliance for Aviation Across America, *Majority of Voters Oppose Privatizing the Air Traffic Control System*, (January 30 – February 5, 2017). Accessed via: <https://www.aviationacrossamerica.org/issues/privatization-poll/>.