

Trump announced his plan to privatize air traffic control in June 2017

Basics on Trump's ATC privatization plan



President Trump announced his administration's commitment to transferring the responsibility for national air traffic control from the Federal Aviation Administration to a new private, nonprofit corporation.



Trump also elaborated on the ongoing transition to the NextGen Air Transportation System, which is a comprehensive upgrade to the nation's air traffic control systems that began implementation in 2012.

What privatization may mean...

Less reliance on government bureaucracy

Inconsistent funding from Congress has resulted in controller furloughs and a slowing of the implementation of NextGen as the FAA has had difficulty making long-term commitments with contractors.

Questions about user fees

While privatization means the disappearance of many government taxes, the nonprofit will not receive government funding, most likely meaning that the corporation will be funded through user fees. There is insufficient information to ascertain if user fees would be higher or lower than current taxes and fees paid by consumers.

Legislative context

- Rep. Bill Shuster (R-PA) focused on the issue during his tenure as House Transportation and Infrastructure Committee chairman
- Shuster attempted to wrap air traffic control privatization into the 2016 FAA reauthorization bill but fierce opposition to the idea resulted in the plan being scrapped

Sources: Jeffrey Cook, "What privatizing air traffic control could mean, as Trump outlines proposal," ABC News, June 5, 2017; Ken Thomas "Trump is about to lay out his vision for overhauling the US air traffic control system," Business Insider, June 5, 2017.

ATC privatization may lose an MVP with Shuster's retirement

Prospects for ATC privatization

“

Not sure.”

- Rep. Bill Shuster (R-PA)

Shuster's response when asked **whether his plans to retire would affect the House's FAA bill** (H.R. 2997), which includes his controversial proposal to split air traffic control operations from the FAA.

“

My view is that the House ought to concede the fact that the votes are not there to pass an FAA reauthorization bill with privatization included.”

- Sen. Jerry Moran (R-KS)

Retirement of Rep. Shuster

- ATC privatization was a main point of contention that prevented Congress from passing a full FAA reauthorization
- On January 2nd Shuster, who was a powerful proponent of ATC privatization, announced he will not run for reelection in 2018
- If Shuster does not attach ATC privatization to FAA reauthorization or work on an independent piece of legislation before the end of his term, President Trump will lose a powerful ally on the issue



Bill Shuster biography:

- Rep., Pennsylvania (9)
- Elected in 2001
- Chairman of Committee on Transportation and Infrastructure
- Member of Committee on Armed Services

Sources: Bart Jansen, "Congress approves 6-month extension for FAA," USA Today, September 28, 2017; Cristina Marcos and Melanie Zanona, "House passes FAA extension with hurricane tax relief," TheHill, September 28, 2017; Melanie Zanona, "Senate may rework House-passed FAA bill to strip flood insurance language," TheHill, September 28, 2017; GovTrack.us, 2017.

Major associations in the airline industry are divided on Trump's proposal to privatize air traffic control

Major airline industry associations on air traffic control privatization



Against privatization

"We are deeply concerned with the president's call for ATC privatization – a concept that has long been a goal of the big airlines. No one should confuse ATC modernization with ATC privatization – the two are very different concepts."

-National Business Aviation Association



No opinion given*

**NATCA supported privatization during the 2016 FAA reauthorization process.*

"We look forward to reviewing the specifics of the air traffic control (ATC) reform legislation so we can evaluate whether it satisfies our union's principles, including protecting the rights and benefits of the ATC workforce."

-National Air Traffic Controllers Association



No opinion given

"Any proposed air traffic control reform legislation must be centered on safety and provide a fair and equitable fee structure for all those who benefit from the system."

-Air Line Pilots Association



Airlines for America®

We Connect the World

**Supports
privatization**

"The President's leadership means that we can look forward to legislation that gets government out of the way so we can modernize for the future and maintain our global leadership in aviation."

-Airlines for America (A4A)

Sources: Bart Jansen, "Congress approves 6-month extension for FAA," USA Today, September 28, 2017; Cristina Marcos and Melanie Zanona, "House passes FAA extension with hurricane tax relief," TheHill, September 28, 2017; Melanie Zanona, "Senate may rework House-passed FAA bill to strip flood insurance language," TheHill, September 28, 2017; GovTrack.us, 2017.

Major associations in the airline industry are divided on Trump's proposal to privatize air traffic control

Associations signing a letter of concern



Airlines represented by Airlines for America (A4A)



Delta Disapproves

- **Delta Air Lines stands out as the only major airline to publicly oppose air traffic control privatization**
- **Delta was originally part of A4A but decided to leave the organization in 2016 following various disagreements with other members**

Sources: Airlines for America, "A4A Announces Membership Change," October 27, 2015; Industry letter addressed to President Trump, June 5, 2017.