

- Topic: FAA Re-Authorization Bill
- FAA receives its authority to operate from Congress, which is valid for a certain amount of time.
- FAA is currently operating under an extension, which expires on March 31, 2016. Congress will need to introduce and pass a new FAA authorization bill prior to that, or issue another extension.
- There is much uncertainty about this issue. However, no one has yet discussed another FAA extension.
- It is expected that a bold and transformative new bill, based on a privatized ATC system and funded by user fees, will be introduced in February 2016.
- NBAA issued call to action on June 27, 2015. This saw a significant response – the greatest in the organization’s history. This action had a significant impact on elected officials in DC.
- In an effort to increase efficiencies and modernize the ATC system by de-coupling it from the government, Rep. Bill Shuster (R-Pa.), House Transportation and Infrastructure Committee Chairman, is leading the charge toward privatization of the ATC system. This will necessitate user fees, rather than government funding, to keep the ATC system solvent.
- Privatization is not necessarily the solution to these problems. United Kingdom’s system was privatized 20 years ago. However, the supposedly stable and predictable income stream didn’t meet expectations, and required a bailout.
- In Australia, GA aircraft may have to wait several hours to refuel and/or access the ATC system due to ATC commitments to the airlines.
- Under the current U.S. funding system, the government would provide requisite funding during economic downturns. But in a user fee-based system, a slowdown in aircraft operations would likely create a funding deficit.
- Another major concern about this paradigm involves GA's ability to access airports & airspace throughout the country. Most airlines have supported privatization, which has historically been an attempt by the airlines to monopolize and control the ATC system.
- Privatization creates an opportunity for the ATC system to be run by airlines, to the detriment of GA. Resources will be allocated to major airports that service the airlines.
- The exception is Delta Airlines, who not only dropped out of Airlines for America, but also expressed opposition to a privatized system. NBAA speculates that Delta CEO (and NextGen Advisory Committee Chairman) Richard Anderson might fear that user fees will cause NextGen delays, increased costs, or other unintended consequences. There could be more to be lost than gained.
- NBAA maintains that fuel taxes, rather than user fees, are the best ways to pay into the system. FedEx and UPS (naturally) advocate fees based on miles flown, rather than aircraft size. This type of system could increase costs disproportionately for small aircraft operators – for example, user fee processing charges cost Delta about \$100 per invoice, with potentially higher hidden administrative costs. However, a fuel tax would necessitate less bureaucracy and promises much lower administrative costs.
- NBAA members and supporters are encouraged to reach out to their elected officials and voice their opinions.