Congress Takes First Step in FAA Reauthorization

By Justin Fisk [1]
Monday, February 29, 2016 at 12:00 AM

With a short-term reauthorization set to expire March 31, the U.S. House Transportation Committee took the first step in getting long-term funding for the Federal Aviation Administration, or FAA, off the ground. On Feb. 11, the committee passed a bill that would extend funding for the FAA until 2022, and also increase funding for airport infrastructure, privatize air traffic control and integrate drones into American airspace.

The big question, however, is whether the bill will survive.

The FAA oversees the nation’s civil aviation system, which accounted for 5.4 percent of U.S gross domestic product in 2012 and supported nearly 12 million jobs. Agency estimates suggest that aviation will continue to grow in the coming decade, with passenger flights increasing 2.7 percent annually and air freight tonnage 5.1 percent. At the same time, delays and congestion in the nation’s busiest airports are costing passengers, shippers and the economy more than $30 billion per year.

U.S. Rep. Bill Shuster of Pennsylvania, chairman of the House Transportation and Infrastructure Committee, led efforts in the House to pass out of committee H.R. 4441 on Feb. 11. The six-year, $69 billion reauthorization of the FAA would make key changes to the way aviation is managed, including a controversial provision to privatize air traffic control.

“It isn’t easy to make major reforms in Washington—too many people want to keep the status quo,” Shuster said in a Feb. 12 press release. “This FAA measure takes on some in the establishment who don’t want to see changes, and makes the transformational improvements we need in order to modernize our nation’s aviation system and allow for better service for the consumers.”

In the Senate, Commerce Chairman John Thune of South Dakota said he would wait to see if the House bill attracts enough supporters before introducing an FAA reauthorization bill. But according to Politico, the future of Shuster’s bill is uncertain, with reports that the proposed long-term reauthorization may be shelved indefinitely while the House pursues a short-term extension for the agency.

Should it move forward, Shuster’s bill would make several significant changes to the aviation industry as it currently operates.

Improving Airport Infrastructure

The House bill includes provisions to increase investments in airport infrastructure improvements by removing caps to the Airport Improvement Program. The program generates revenue through a passenger facility charge paid by airline passengers. This fee was capped at $4.50 per passenger in
2000 without being indexed to inflation, resulting in a loss of real income.

States and local governments own and operate nearly all U.S. airports, which supported 11.8 million jobs and $1.5 trillion in economic activity in 2012 according to a 2014 report [2] by the U.S. Department of Transportation. And the FAA estimates that total passengers could reach 1 billion annually by 2029 according to a 2015 press release [3], which would add stress and congestion on many already cramped airports.

The House bill also would continue to fund the Essential Air Services Program and the Small Community Air Service Development Program to guarantee air service to small and rural communities in the U.S.

**Privatizing Air Traffic Control**

The House legislation also would establish a federally chartered, private, non-profit organization to monitor air traffic control, removing the responsibility from the FAA. The new organization’s 11-member board would include representatives from the federal government, airlines and workforce unions, who would provide guidance to the corporation with the goal of increasing efficiency and collaboration in modernizing air traffic control. The FAA would retain regulatory oversight of the organization to ensure safety.

The bill specifically aims to modernize air traffic control by replacing the current land-based radar system with NextGen, a GPS satellite-based technology. The FAA estimated in a 2014 report [4] that the technology would provide $133 billion in benefits between 2013 and 2030, but NextGen has faced considerable delays in its development and higher than expected implementation costs.

Efforts to privatize air traffic control face growing concerns from members of both parties, however, including the chairmen and ranking members of the House and Senate Appropriations Committees. Members of the House Appropriations Committee expressed concerns in a letter sent to congressional leadership, indicating “we will not support legislation that would create a separate air traffic organization outside the FAA and removed from the annual appropriations process.”

**Integrating Drones into American Airspace**

The House bill also aims to facilitate the integration of unmanned aerial vehicles, more commonly known as drones, into American airspace by streamlining the permitting process to authorize companies’ use of commercial drones. The legislation also would require the U.S. Department of Transportation to examine public concerns surrounding privacy implications regarding commercial drone usage.

Drones increasingly are used in law enforcement, crop monitoring, search and rescue operations, delivery services, and disaster response. The quick uptick in the amount of drones in American airspace has led to 26 states passing legislation regulating drones and 6 additional states adopting resolutions related to drone usage. In 2015 alone, 45 state legislatures looked at 168 drone-related bills.

The FAA estimates that drone technology will attract investments worth $89 billion over the next decade, which would result in a significant growth in drone applications. In December, the FAA released new regulations for recreational drones that require owners to register with the FAA any devices that weigh between half a pound and 55 pounds. The FAA said it would work with local and state governments to enforce the new regulations.

**Next Steps**
While the Shuster bill has been approved out of the House Transportation Committee, U.S. Rep. Kevin Brady of Texas, chairman of the House Ways and Means Committee, recently confirmed that he would exercise jurisdiction over H.R. 4441 due to the tax implications surrounding the privatization of air traffic control. According to Congressional Quarterly, a top Republican in the House Ways and Means Committee indicated the proposal to privatize air traffic control had little support among committee members.

According to U.S. Sen. John Thune of South Dakota, the Senate will take a wait-and-see approach to the FAA reauthorization. "We aren't going to attempt to move it out of the committee until hopefully the House acts, if the House acts in a reasonably near timeframe," Thune told Politico. “The question is, I think, can they get it up there next week or not? We're going to start moving forward.”

The FAA’s funding lapsed in 2011 when Congress failed to reauthorize the federal agency, which resulted in a furlough of nearly 4,000 employees and delays for many airport infrastructure projects.