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# ATC Privatization – Not Now

## Transportation Legal Update

On October 5, President Trump signed the FAA Reauthorization Act of 2018, a \$90 billion five-year reauthorization bill for the Federal Aviation Administration (FAA). Notably missing from the bill is the controversial and much-debated amendment to privatize the U.S. air traffic control system (ATC). The privatization amendment had proposed transitioning management of ATC services from the FAA to a newly established private nonprofit corporation.

Earlier this year, privatization sponsor Rep. Bill Shuster (R-PA), Chairman of the House Transportation Committee, abandoned efforts to privatize U.S. ATC despite receiving President Trump's support and formal endorsement in public remarks and budgets submitted to Congress. Shuster shifted his efforts to introduction of a longer-term reauthorization bill – potential stability welcomed by the aviation community after a series of short-term extensions made it difficult for the FAA to find program support and define a modernization strategy.

ATC privatization efforts spurred heated debate from the industry's largest commercial and general aviation players. The air traffic controllers union and most commercial airlines supported separation of ATC from the FAA, citing the need for technology modernization and deregulation in order to provide stable ATC funding. The general (noncommercial) aviation industry and aviation groups opposed separation, warning that privatization would harm smaller stakeholders in the aviation community and relinquish control to commercial airlines without public oversight and accountability.

Despite Shuster's change in course, ATC privatization did not disappear from the legislative landscape. In June, additional attempts to privatize ATC shifted in form under the guise of U.S. Department of Transportation (DOT) reorganization efforts stated in a White House plan called Delivering

Government Solutions in the 21st Century. This plan proposed a “spin-off” of Federal responsibility for operating air traffic control services and recited the often-used rationale to modernize ATC technology and oversight. As before, the general aviation community responded with heavy opposition and criticized detracting from efforts to finally reach a longer-term funding solution through a reauthorization bill.

The FAA Reauthorization Act of 2018 provides for the longest FAA reauthorization passed by Congress since the 1980s, and its passage is being lauded by many in the aviation community as a success for necessary funding, safety enhancements and infrastructure modernization. Future efforts toward ATC privatization, however, remain to be seen. With evidence of nearly 60 countries implementing private oversight of air traffic control, including Canada, as well as the administration’s recent shift in focus to DOT reorganization, privatization efforts may resurface after the dust of the bi-partisan FAA reauthorization victory settles.