

THE BROOKINGS INSTITUTION

SAUL/ZILKHA ROOM

THE FUTURE OF AIR TRAFFIC CONTROL

Washington, D.C.

Wednesday, November 1, 2017

PARTICIPANTS:

ELAINE KAMARCK, Moderator
Senior Fellow and Director, Center for Effective Public Management
The Brookings Institution

THE HONORABLE JAMES H. BURNLEY
Partner, Venable
Former U.S. Secretary of Transportation

JIM COON
Senior Vice President
Aircraft Owners and Pilots Association

ERIC FRANKL
Executive Director
Blue Grass Airport

PATRICIA GILBERT
Executive Vice President
National Air Traffic Controllers Association

* * * * *

P R O C E E D I N G S

MS. KAMARCK: Great. Well, good morning, everyone. Thank you for coming. Thank you for coming so promptly. There's, as I can see many of you have discovered, there's coffee and pastries in the back there.

My name's Elaine Kamarck. I'm the director of the Center for Effective Public Management here at Brookings and we're part of the Governance Studies section of Brookings. We're the smallest part of Brookings, but we like to think that we're the most important part of Brookings and have the most impact.

And I think today we're going to talk about a topic that not many people know about, but a lot of people care about because a lot of Americans fly. And it is an issue that I actually encountered way back in 1993, 1994, when I was working in the White House for Al Gore and I was managing something called "Reinventing Government."

At that time, there were only a handful of nations in the world that did not run air traffic control through the government. One of them was New Zealand. New Zealand, I used to joke, exported sheep and government reform ideas because New Zealand was, not just in this area, but in all sorts of areas, New Zealand was always way ahead of the curve.

And sort of inspired by the them and looking around the world in 1995, we wrote and sponsored H.R. 3539, which would have turned air traffic control over to a government corporation funded by user fees. Well, the legislation didn't do too well, to say the least, even though it was probably the only thing that Ronald Reagan ever agreed on. (Laughter) And once that legislation died, we went on to some more incremental reforms at air traffic control and hundreds of reforms in other parts of the government.

I do remember that at one point we counted it as a major victory that we reduced the procurement cycle for IT from some ridiculously long amount of time to four months. So we counted that as a victory.

So fast forward 18 years and imagine my surprise to read about Congressman

Shuster's bill H.R. 2997, and to see that air traffic control reform is a big item on the Trump agenda. Now, I don't know how Vice President Al Gore feels about this issue, but in a funny bit of historical symmetry it may be the only issue that Al Gore and President Trump agree on.

(Laughter)

Of course, the devil in the details, and I've forgotten a lot of what I knew on the topic once, so I'm very happy to be able to moderate this panel today and to try and reacquaint myself with the pros and cons of this issue, which I hope you will do, as well.

Since 1995, a lot has changed in the world. There are many more countries using nongovernmental or hybrid organizations to do air traffic control. But many of the big issues -- What is a core government function? Can the government run innovation technology? -- some of the big issues still remain. And so we've assembled a group here this morning to explore the issues and I'd like to introduce them.

First of all, we have Jim Burnley, who is a partner at Venable and a former secretary of transportation. He is one of the nation's foremost experts on transportation and aviation to be concise. During the Reagan administration he was deputy secretary of transportation and general counsel of the department. And he served as secretary of transportation from 1987 to 1989.

He continues to be a respected and active participant in this community. As outside legislative counsel to American Airlines, Mr. Burnley played a key role in crafting and passing the Emergency Airline Transportation Stabilization Act in the days after September 11, 2001, to help save the disaster-challenged U.S. airline industry. And I suspect that was a pretty challenging time and I suspect a lot of people were glad you were there.

He co-chairs the Eno Foundation NextGen Working Group, which is focused on major reform and restructuring of air traffic control.

Next is Jim Coon, who is senior vice president, Aircraft Owners and Pilots Association. Mr. Coon has spent much of his career working as a senior congressional staff

member, most recently in the role of staff director for the U.S. House Committee on Transportation and Infrastructure, and majority staff director for the House Aviation Subcommittee.

His other congressional roles have included positions as majority professional staff for the House Aviation Subcommittee, legislative director for U.S. Representative John Duncan, Jr., and legislative assistant for U.S. Representative Robert F. Smith.

He has most recently held the position of executive vice president for the National Air Transportation Association. At various times in his career he has held the post of director for congressional affairs for both the Boeing Company and the Air Transport Association. Welcome.

Eric Frankl. Eric was selected by the Lexington-Fayette Urban County Airport Board as executive director for Blue Grass Airport. I love the name of that airport. In this role Mr. Frankl is responsible for the overall business operations, air service development, safety, security, planning, and development of the airport. He served as interim executive director since February 2009.

Prior to his appointment, he was director of airports for the Toledo-Lucas County Port Authority and he had overall responsibility for financial performance, operation, and administration of both Toledo Express and Metcalf Airfields in Ohio.

Last but not least, the blonde on the panel, you can always tell us, Trish Gilbert. May I call you Trish?

MS. GILBERT: Yes.

MS. KAMARCK: Formal name Patricia, has served as the National Air Traffic Controllers Association's seventh executive vice president since she was elected in September of 2009. In March, she was reelected by acclamation to a second three-year term. And in 2015, she was reelected to a third three-year term. You're very popular with your folks. Gilbert is the first in NATCA's history to serve three terms as executive vice president.

That is not, however, the first time Gilbert and NATCA President Paul Rinaldi have made history. Though NATCA's two top positions are elected separately, in 2009, they campaigned for their respective positions as a team, which I take it has never been done before.

Working as a team with President Rinaldi, Trish has helped lead and oversee NATCA's comprehensive efforts to build successful working relationships with the FAA, DOT, the industry, the AFL-CIO, and members of Congress. She serves on many boards in the Washington area and she is, again, like our other panelists, a well-known aviation expert.

So we have a fabulous group here. I'm going to ask each of them to open up and we will have a little bit of discussion from them, a little discussion among themselves, and then we'll turn to you for questions and some comments.

So I'll just start with Jim, okay, who's the closest over there. And one of the most commonly heard criticisms of plans to reform ATC are that we're handing control of vital issues like safety, taxation, over to the airlines. Can you speak to those and speak to why this is so important right now?

SECRETARY BURNLEY: I will, but let me first, Elaine, both thank you for the chance to be here and acknowledge that you and vice president and Gore, Dorothy Robyn, who's in the room today, were a group of visionaries in the early '90s. And you understood that if the United States did not address what is a fundamental anomaly, and I'll come back to that point in a moment, that we were going to face what has, in fact, happened since the early '90s, and that is we have fallen ever further behind in the modernization of our air traffic control system.

There is no question, particularly given the way Chairman Shuster's bill in the House is written, about delegating safety responsibilities. Safety responsibilities have been and will remain a core FAA function. The FAA does not own and operate U.S. airlines, but it closely regulates the safety of both how the planes are built that they buy and how they're operated, they certify the pilots. They have a pervasive safety regulatory scheme over private companies.

Chairman Shuster's bill proposes to remove air traffic control from the FAA and set it up in a nonprofit corporation and have the FAA continue to closely regulate all of the safety aspects of its operations. But his bill recognizes what you all recognized in the early '90s, and that is that you're trying to run a 24-hour-a-day, 7-day-a-week, incredibly complicated business and you're trying to do it within federal procurement and personnel rules that are written for entirely different structures and programs. They're written for grant programs. They're written for people who do regulations. They would not and do not contemplate the kind of dynamic operation that the FAA has.

So as a result of the fact that despite your vision, you were not able to convince Congress to move in this direction in the early '90s, as we sit here this morning in our terminals all over the country our controllers are using these paper strips. And I brought quite a few with me and I've asked that they be handed out. I hope -- I don't think I had enough for the crowd, though I didn't see all of you, I should have brought more, but I hope you got one.

Now, Nav Canada, a nonprofit corporation the Canadians created in 1996, to which they transferred air traffic control, completely got rid of these strips in 2003. Our controllers still use them in the terminals. The FAA does have a procurement underway that promises that in the 88 busiest facilities -- and, Ed, I don't know if you're on that list or not -- they will get rid of paper strips by 2028. By 2028. And Ed, if you have the misfortune to be number 89, then well into the second half of the 20th century it looks like your controllers will still have the opportunity to use paper.

Now, there's a lot of happy talk. The FAA has reformed. The FAA has gotten itself righted on air traffic control procurements in particular and on the workforce. It ain't true. But don't take my word for it. Let me just give you a quick sample of recent inspector general reports on these subjects, just in the last year and a half.

January 11th of last year, the inspector general of the Department of Transportation put out a report entitled, "FAA Continues to Face Challenges in Ensuring Enough

Fully Trained Controllers at Critical Facilities.” Trish will reaffirm that today we have fewer fully certified controllers in our facilities than we have had in 28 years. There’s no excuse for that.

Four days later, January 15th of last year, the FAA, according to the Office of the Inspector General, “The FAA reforms have not achieved expected cost efficiency and modernization outcomes.”

Then August of last year, the IG said, “The FAA lacks a clear process for identifying and coordinating next-gen long-term research and development.” So we’re falling behind on R&D, as well.

November of last year, the Inspector General put out a report entitled, “Total Costs, Schedules, and Benefits of FAA’s Next-Gen Transformational Program Remain Uncertain.”

February of this year, an audit report from the IG. “While FAA took steps intended to improve its controller hiring process, the agency did not effectively implement its new policies.”

October 18th, this month, the most recent report from the IG. “FAA has made progress implementing next-gen priorities, but additional actions are needed to improve risk management.” Additional actions are needed to improve risk management.

Now, ladies and gentlemen, there’s no excuse for this except our inability as a country to come to grips with the fact that we’re trying to run an operation, incredibly complex, and it needs to move away from World War II radar as its core system to GPS and other related systems. We’re trying to run it like it was a government program.

And 60 other countries in the last 25 years have decided to separate air traffic control from their government, and there are different models. The Canadian nonprofit model, again, is the model the House bill was based upon, but there are other models, as well. What they have in common, what they all came to recognize, is trying to run air traffic control within the constraints that go with government programs is not going to get you where you need to go.

So with that, Elaine, I'll let others have it. Thank you.

MS. KAMARCK: Good. Okay, well, thank you. And at some point, Jim, I'd like you to come back, or somebody, to explain what this means to the flier. Okay? Explain what this means to somebody on the airplane. Okay? But we'll get to that.

Okay. Jim, I know that you and your counterparts in business aviation have had some problems in the past with this approach. And I was wondering if you could speak from both the public policy point of view about air traffic reform and also from the point of view of your members' interests and what you think of this.

MR. COON: Sure. Thank you very much, a pleasure to be here. I think I will start out by suggesting that today we have the largest, most complex, and safest air traffic control system in the world. That's what we have today. Let's ask ourselves what is it exactly we're trying to fix before we start down this path.

I think the only thing that has remained consistent over the years is that the airlines have been pushing for this. That's about it. You know, Elaine mentioned '94/'95, I was on the receiving end of these proposals. I got a chance to review these proposals. I got a chance to put together congressional hearings on how poorly the FAA was managing the program at the time, and they were. So when we start to talk about how screwed up things are, that was about 25 years ago, to be honest with you.

And, again, I think it really comes down to the flier, to the passenger, and to all of the users of the system. Today we have a public use system that works well for everyone. You know, the Aircraft Owners and Pilots Association represents small, private aviators who have their own aircraft. And I can tell you that they have been consistent over the years on why this is not good for them. There are many reasons for that.

And as Elaine mentioned, you know, the devil's always in the details. There are a number of risks and unintended consequences with turning over or handing over this to a 13-member board of special interests whose fiduciary responsibility under the legislation is to the

entity. So decisions are going to be made on ensuring that this entity, this air traffic control system, remains in the black. And so just think about what decisions are going to have to be made in order for that to happen. You know, it's going to be where the revenues are most great for the airlines and their counterparts is where they're going to invest equipment. Right? It's not going to be in the small towns, the small communities, where general aviation flourishes.

I can tell you that these other countries that Jim spoke about, general aviation has gone -- precipitously declined in Europe. And it's because of the imposition of fees and more costs that have been imposed on these private fliers who can't charge themselves \$25 to bring their own bag on or charge themselves \$5 to bring a pillow on. So this is the kind of thing that happens to general aviation, which is so uniquely American. The thing that has not occurred here, once again, is that there has been no consensus, no collaboration on what things work and what don't work for all users of the system.

So I'm sure most of you know what NextGen is, right? It's modernization of our current air traffic control system. But what people don't really know there are really six major platforms of NextGen. Okay. ADSB, that's a surveillance system. That's a GPS surveillance system where you can track airplanes. Okay? There's a performance-based navigation platform, a system-wide information management platform, Data Comm, terminal flight data management, and NextGen Weather. Those are the six major platforms of modernization.

ADSB, fully deployed in 2014 across the country. In 2014. The problem is that the airlines can't use it because less than 20 percent of their fleet is equipped with that ADSB equipment. They don't want to spend \$4 billion to equip their aging air fleet.

Performance-based navigation, it's partially deployed and on schedule to be deployed. And the problem with this, this is like approaches in poor weather and that type of thing, the problem with that is that only 1 percent of the airline fleet is equipped with that equipment.

SWIM, system-wide information system, that's really the backbone of NextGen.

Fully deployed in 2015.

Data Comm, this is kind of a computer system from the ground to the airplane. It takes out a lot of human error and it's already in place today at some 55 airports. The problem is, again, only 20 percent of the U.S. airline fleet is equipped to use that equipment.

The terminal flight data management system, these are the paper strips that Jim talks about. Now, they'll be fully deployed, there's been a contract, by 2023, not 2028. And the fact is that these paper strips, the reason they're not in every major control tower today in the United States is because the airlines agreed in the prioritization of NextGen of where these paper strips really mattered. And they don't really -- they don't affect delays when you're sitting on the aircraft. It's all for the controllers. In fact, a lot of controllers like paper strips. So really we're just going to take these paper strips and put them on a digital screen and it's going to be the same thing, they're going to do the same thing, except it's going to be behind glass instead of on a paper slide board.

And then obviously NextGen Weather gives a common weather picture across the country. That'll be fully deployed in 2021. That's NextGen.

So when the proponents suggest that we're using World War II technology, that's not really true. And when we look at Canada, I would argue that people need to go look at Atlanta and Chicago and JFK and LAX to see a modern tower. You go to Canada, who's the shining ATC beacon on the hill, and I think I read yesterday or the day before that they're spending nearly \$200 million to upgrade their World War II radar system.

So there are a lot of things that we can do to bring efficiencies and do all of these things, but what we need is a system that works for everyone. And we have to ask ourselves what are we trying to fix? So that's the modernization. That's where the airlines started this last round of debate was with modernization.

And then when we pointed out all these things of where NextGen actually is in the process, they moved to delays. We're losing hundreds of millions of dollars because of the

delays in the system. Well, go to the DOT's Bureau of Transportation Statistics and they will tell you that the airlines cause 50 percent of the delays in the system. Flight scheduling, crew scheduling, and maintenance issues, none of which this legislation will address. Thirty percent of the delays in the system are caused by weather. So maybe somebody needs to go talk to God and figure it out, but that's 80 percent of the delays in the system that we have today that won't be fixed by this bill, by turning this over to the airlines ultimately.

So, again, we have to ask ourselves what is it are we trying to fix? The Congressional Budget Office says it's going to score it \$100 billion over 10 years. The Congressional Research Service is concerned about unconstitutionality; came out a couple days ago suggesting this would trigger sequestration. The Government Accountability Office has suggested that a transition would actually slow down modernization. The American Conservative Union is opposed to this because it's not really privatization. There is no innovation in this proposal. There is no competition in this proposal. It's basically here are the keys, go at it.

Consumer groups widely opposed to this. I mean, elected officials across the country, mostly from rural America; many of the airports, especially the smaller airports across America, are opposed to this. So that's where we are.

Again, and I just want to finish on the fact is that we have the largest, most complex, safest air traffic control system in the world. And Trish's people do an amazing job every day to make sure you get from Point A to Point B. And I would always argue over my years that the air traffic control function of the FAA has always been the best operating function of the FAA. Right?

So that's kind of where we are, the general aviation community, who is really not a commercial interest, but provides billions of dollars, hundreds of billions of dollars to the economy every year. Thank you.

MS. KAMARCK: Great. Eric, we've heard two sides of this nicely laid out. Let

me ask you, how would some of the reforms under consideration affect airport operations and particularly smaller airports like yours?

MR. FRANKL: All right. Again, thank you for having me here. I think I may represent a more unique or complicated perspective a little bit, so let me just talk a little bit about who I want to represent today, which is really no one. So after following these two guys it's going to get harder coming down the line here. Both of them had great arguments and I think they're persuasive.

So let me start with what my perspective is. First of all, most of my general aviation folks at my airport, Jim's members, are opposed to this. So I'm certainly not representing their interests today because I have a different perspective, a slightly different perspective.

And again, as Jim said, I think the airport industry as a whole hasn't taken a position one way or the other. Although if I had to guess, just from my own colleagues, I would suggest that probably the majority of them would oppose this, as well, as is the current state.

And, of course, even my own board, I report to a board of directors, and I think my own board is probably split. So I'm really kind of a man without a home. In fact, I may not be able to go home after this. (Laughter) But let me talk to you, I guess, how I view this whole issue.

This has been going on, and I think we would all agree, 30 to 40 years, on and off discussion, actually predating deregulation. And in the past, I probably would not have been a supporter because I did feel like the federal government was able to handle the task, do it safely, do it efficiently. We have great, and I think everybody on this panel would agree, we have great FAA staff: efficient, they care about what they're doing, they're good at what they do.

Although I think over this particular time, over this last five years or so, I have become more sympathetic to spinning off air traffic control to some other form, but not

necessarily for the same reasons. And I guess I look at it a little bit, again, from the airport perspective and what we do and how we have to work with the FAA and our federal government on a yearly basis.

So, again, I don't know that -- I think typically airports would take the position that we care about what's on the ground. We're looking at pavements. We realize that even if we are gaining some efficiency in the airspace above us, at some point we have an issue on the ground, and so we can't really separate off one component of this and not look at the others.

And to Jim's point, which I do wholeheartedly agree, I think there probably could have been and should have been some more collaboration in this discussion leading up to now with the different stakeholders. It doesn't mean that we'd all get what we want. It doesn't mean that we'd all be happy with that in the end. But I think that that was a weakness from the current legislation.

That said, I guess my sensitivity, why I'm more sympathetic this time is because of the struggles with the federal government. And when I say "the federal government," I do not mean the FAA. I mean their bosses, the legislators in the Executive Branch.

I started in the industry in 1989 and I didn't know much about the industry. I was young and didn't know much about how grateful I should have been to have a five-year reauthorization, FAA reauthorization bill, how important that was, how exciting that was at that time. And back in those days, of course, you would always have budget squabbles, but you would usually have a budget. You've had 12 appropriations bills. They would go through, pass the House and the Senate, and the President would sign them.

And, of course, there was always disagreement between the parties. But I guess in this last 10 to 15 years that has become worse and worse and worse. And the question is whether you believe that will continue on its present path or get better.

And to the extent that Congress can't prioritize, Congress can't agree, we continue to have short-term reauthorization bills. We struggle to get through appropriations bills

every year, even on the airport perspective where we receive grants through the FAA. Our passengers are taxed, those taxes to towards air traffic control, as well as airport improvements. And the way the FAA facilitates that has been unbelievably painful and cumbersome over the last I wouldn't say 10 years, but certainly the last 5.

My concern is not only how that -- that that will continue on. And as our industry overall, whether it's general aviation, corporate aviation, airlines, continues to grow and evolve -- and hopefully it will, because I think that's a great sign for commerce around our country and around the world -- will our government be able to keep up? Because I think they're struggling now.

And, again, this is not a reflection on the FAA, both the management or the controllers, because I think they do a great job. But I'm very concerned about whether they will be able to continue to do that. And as the system grows, whether that system gets more and more expensive.

And, you know, having a \$20 trillion debt out there, which comes and goes, depending on the administration or how important that is, and I'm not expert in that, but I got a feeling that puts pressure on a system that's already complicated and difficult.

So I think I've become more sympathetic to trying to do something differently for the good of the industry because under the current system with the federal government controlling how the FAA operates, how they're funded, to say nothing of the acquisition process, I'm not sure that we won't be further challenged in the future.

MS. KAMARCK: Okay, thank you. Trish, let's go to you. I mean, your folks literally have our lives in their hands and we are grateful to them every single day. Talk about the current situation. Is it sustainable? What do you see happening?

MS. GILBERT: So, thank you, Elaine, and I really appreciate being here. One of the things I want to add to the bio because it's the thing I'm most proud of is 21 years as an air traffic controller at Houston Center.

MS. KAMARCK: Oh, yeah, actually, and I'm sorry.

MS. GILBERT: No, that's okay. I just want to make sure that people --

MS. KAMARCK: I saw that yesterday and was very impressed with the fact that you were actually an air traffic controller.

MS. GILBERT: And I haven't done that in a while since I've been in D.C. They don't let me pop back into the Houston and separate airplanes, which is a good thing.

So 21 years I have worked in the system. I came in in 1988 before I finished being an air traffic controller. Once I got elected, I came to D.C. and can't do that any longer. And I do miss it greatly, but I certainly stay engaged at facilities across the country and discuss this issue. It is the main topic of discussion with our membership across the country. And we also represent controllers in the contract tower world, 100 facilities there, which is private industry, for-profit. And we know of all the concerns that we have to deal with there, so we've never been supportive of a private, for-profit system. That is where opposition has been in the past.

Certainly sitting in government has its pros and cons, but as a workforce it is a somewhat comfortable place to be. So you can imagine our perspective and our significant concern when we are looking at the possibilities of status quo not being able to sustain what Jim has said, which is the biggest, most complex, safest system in the world. We are proud of that, but we want to be able to sustain that. And we do not believe status quo can get us there.

We were supportive of USATS back under Vice President Gore and that initiative. We have been opposed to the for-profit models. But we were ready to have the dialogue with Chairman Shuster and certainly Ranking Member DeFazio when I think everybody started to get to the point that the funding uncertainty was becoming so significant that we have to do something different. And that's when those discussions started, I believe, and I will be an advocate for many attempts to bring in all stakeholders to see if we could get to a position where all could agree that there is something better and what could we all agree that is.

I think there is a lot of entities that started from no and stayed on no. And I think there are entities that need to maybe put down their pitchforks and come into the room and figure out what are the next steps instead of trying to scare the flying public and recreational users and general aviation on reform being something that's going to be the end to general aviation or the end to Medicare as of yesterday's memo that came out from the Hill because we'll see such significant sequestration impacts if this were to become law. I think we need to get together and figure this out because the impacts are significant to the flying public. The impacts are significant to general aviation if we do nothing.

If we continue under 28 extensions of an FAA reauthorization, short-term stop-and-go funding bills, then we are not going to be able to maintain our equipment in this agency, we're not going to be able to maintain our staffing levels where are at a 30-year low, and we're not going to be able to improve our infrastructure, and we're certainly not going to be able to appropriately integrate new users, like unmanned aerial systems and commercial space and all of the pressures that are now on government to do more and do it with less on a 24/7 operation that is all about safety and efficiency and capacity. And if we don't figure out reform and stability in funding, we're never going to meet all those challenges.

We continue to see the chipping away of our system. We have airports out there that the FAA's not able to build new towers for because there's no money for that. So we end up running -- a lot of Jim's members fly in and out of airports with no air traffic control service, which is not a good place for us to be as a country. That would be unheard of in other countries.

We do see a decline in general aviation already because of a lot of different issues, so I would argue the fact that that is not the case because of this bill. I think the decline in general aviation is already occurring due to the financial needs of pilots with regard to being able to fly through the system. So I don't think you can tie it to this reform. I think actually you could see general aviation grow under reform because we'll be able to put more resources into

communities, rural communities, that need service that don't get it now.

I would argue that we don't have controllers out there that are keying on paper strips. I mean, it's like asking somebody you get no phone or you get a flip phone, you're going to take the flip phone. But if you can get an iPhone, you want the iPhone. And that's where we need to go as an industry.

So our concerns are real and our position is all about the system. It's nice to be a government employee and I think our members feel that way. However, I think they care more about the system and are willing to step out there and have the dialogue and support legislation around reform, even if it take us out of government, if it's going to create a system that's going to be able to put appropriate resources into the system; be able to train and hire the right amount of individuals to keep the system safe and running and robust; to be able to integrate new users, and that includes keeping rural America robust and support behind there.

So we're very interested in this dialogue. We're very interested in continuing the dialogue, whether this particular bill moves forward or not. We think there'll continue to be a lot of positions taken as status quo becomes more and more unattainable as, you know, we are in a short-term extension only till December 9th for a funding bill and this FAA reauthorization bill until March. So the dialogue's going to continue. The stress on the system is going to continue.

And the impact to those that fly through the system, if they're not seeing it now, feeling it now, they will start to feel it more and more as we start to see increased issues at airports with regard to delays. We are seeing some of that in some of our metropolitan areas where we don't have the appropriate staffing or equipment to deal with the capacity issues. And then certainly able to staff our facilities in rural America has become an issue, as well.

MS. KAMARCK: Great. Well, I mean, let's start, I want to have some of us answer each other, but, Trish, you raise a very interesting question. Suppose Congress were normal again. Okay? Let's suppose that we didn't have this dysfunctional Congress, we didn't have budget making by continuing resolution, and the threat of sequesters and shutdowns

always there. Let's suppose we had a Congress that actually functioned. Would you still see the need for reform in this area and perhaps as far as taking this out of the government?

MS. GILBERT: Our concern and our big issue is the funding stability. So, no, if we were getting appropriations bills passed before October 1st and they were an actually full-year appropriations bills and we were seeing FAA reauthorization bills that were three, four, five years in length, there'd be some stability there. The FAA would have the ability to hire the people they need, to plan appropriately, modernize. While, Jim, I agree we are working really, really hard to modernize the system and I think we're doing well, but I think we're doing well in spite of the funding uncertainty. And we shouldn't be doing anything in spite of. But if we were normal again, then I think we would be in a different place.

I sit on the Air Club of Washington and we introduce a history moment at every luncheon when we have our speaker. And our historian was asking the group what do you suggest for an historical piece that we could provide? I said how about an historical on the last time we had an appropriations process where there was regular order in Congress? (Laughter) How about that for a history moment?

MS. KAMARCK: Boy, that is a really a heavy-duty comment about the world in which we live.

The two Jims, I think you have different views on NextGen. And you seem to think it's working well, that NextGen has been successful modernization. Do you agree with that?

SECRETARY BURNLEY: Well, my opinion's irrelevant. I do disagree, but for those of you who wandered in late I won't do it again, but in the last 18 months, over and over again the Inspector General of the U.S. Department of Transportation has said it's not working well. It is falling short. It is not being implemented properly nor is controller training being implemented properly. So, Elaine, it's don't take my word for it.

And I want to speak, if I could, to one other point that Jim made and that is that

somehow where air traffic control has been spun off from executive branches of government, there's nothing but unmitigated pain and suffering on the part of general aviation. There's a gentleman named Bernard Gervais, who's president of the Canadian Owners and Pilots Association, the Canadian counterpart to Jim's organization. And this just appeared the other day. He says he particularly chafed at a column written by AOPA President Martin Baker in the September edition of *AOPA Pilot*, the magazine of Jim's organization, in which Baker wrote, "General aviation in Canada no longer thrives and it's unfortunate to see pilots there don't have the same options we enjoy here in the United States."

Gervais sent an email to Baker, the GA is alive and well in Canada and its 15,000 members "are largely satisfied with the service we receive from Nav Canada and all of them take exception with the idea that Canadian GA is dead."

Gervais got an immediate response from *AOPA Pilot* Editor-in-Chief Tom Haines. He said, "The column by Baker was written before COPA," the Canadian group, "but made its position clear during meetings at Air Adventure and AOPA 'will stop painting with such a broad brush when referring to the impact of privatization on other nations.'" That just appeared August of '16.

A few months before that, the head of the Canadian Business Aviation Association also debunked the kinds of criticism that we've heard this morning about the impact on business aviation and other general aviation in Canada from having a nonprofit system. And he said, "That's not the story at all." He said, "The organization," meaning Nav Canada, "has turned into a little bit of a jewel for Canada."

So, again, don't take my word for it. The general aviation folks in Canada say a nonprofit system that's been in place for 21 years is working very well for them. And they do have stable funding. They do have a diverse board, as Chairman Shuster proposes in his bill to have.

The notion that the airlines somehow will dominate this is nonsense. There are

13 members on this board. The Secretary of Transportation appoints two of them, the whole board appoints two others, the big airlines get one and the little airlines get one, Jim's organization and counterparts get one, manufacturers of GA get one, NATCA gets one, the pilots union gets one. So the airlines basically, big airlines and little airlines, they've got 2 seats out of 13. And all I can is if the other 11 are so incompetent and useless that they let those 2 dominate everything, that's a whole different problem and I don't have an answer to that. But that's not what's happened in Canada and that's not what's going to happen here.

I mean, Trish has framed this issue properly. We have had in the last decade 28 extensions of FAA reauthorization. Twenty-eight in a decade. And some of them have been for a few weeks. You cannot manage multibillion-dollar procurements and manage a complex system the size of ours in that kind of a structure. It does not get you the outcomes that the American people deserve.

MS. KAMARCK: Let me throw this to both Jim and to Eric. A lot of your concerns seem to be about rural America and small airports and, of course, private pilots. Talk a little bit, is there some way that you see reform helping or is it just your fear that the prices are going to go up and the big airlines are going to essentially hurt general aviation? I'd like to hear from both of you on it.

MR. COON: Yeah, well, you know, recently, in recent years, commercial air service in rural America has been reduced by about 20 percent. And so, yeah, we certainly have concern there. Again, as I had mentioned in my opening remarks, fiduciary responsibility of this board is to the entity. There are not a whole lot of revenues coming in compared to the CATX airports and the 100 largest airports in the country.

And so decisions are going to be made to invest where the airlines fly. And it's in the best interest of the controllers and the pilots unions and all the other commercial interests to get in line with that because the last I checked, and this is a laudable goal, unions are there to protect their -- grow their membership and increase their benefits.

So I see nothing in the proposal before us today that's going to suggest how this system is paid for. There's no details in there. It's just all to future Congresses. I'm concerned about my colleague here to my left. I don't know how airports are going to be funded. I mean, I think the Airport Council International has expressed the same concerns and that there's not enough investment for airports in this proposal.

I've lived through these battles on the Hill with respect to extensions and, yeah, they're not pretty. But I'm pretty sure that air traffic controllers and everybody else in the FAA have gotten a paycheck. So let's really put all this fodder away and figure out what is it we're trying to fix?

What is it we're trying to fix? Why did the airline industry go to the White House and tell the President we want control of this system? We want to control this system.

I don't know, this proposal doesn't say how we're going to fund this thing down the road. Where's all -- how are we going to fund more in NextGen by this proposal? Nobody can tell me that.

So, again, it comes down to the fundamental question. Right now, again, I'll have to say it again, we have the largest, most complex, safest system in the world. Okay? And turning this over to a board I'm not sure is going to help all of the users.

Funding? Let me give you an example. This is not a funding issue that we have here. In 1980, the FAA had a \$3.2 billion budget. Today they have a \$16.1 billion budget with less air traffic to manage today than they had in 1980. I mean, so people need to understand that it's the passengers that are paying the freight of our system. The airlines have a fuel tax; we have a fuel tax.

I find it ironic that the airlines are out promoting H.R. 2997, which prohibits fees now on general aviation, and suggesting that we are not paying our fair share in their big advertising campaign. So you have to ask yourself what's going on here?

So these are the risks and unintended consequences that general aviation has,

as well as rural America and mayors and airports and consumer groups. There's no details in this proposal.

Let's talk about the protection of access. In the legislation the protection of access so all aviation can fly anywhere they want to at any time, go get a lawyer. If the board makes a decision, the Secretary of Transportation gets to review that decision based on safety. And if there is no safety impact, then the proposal goes forward. If you don't like it you can't go to your congressman anymore because this is a private, not-for-profit corporation, you have to go get a lawyer. That's in the bill.

So these are the kind of things that general aviation and everyone else is concerned about and that's why this bill can't in part get to the floor. There's no consensus. There is no consensus. And that has been the problem since the early '90s all the way up to today. Nobody has gotten in a room and sat down and said what's the deal here, instead of trying to jam something down the throat.

And the only thing, again, that has remained consistent over these years with everybody up here is that the airlines have supported this. That's it.

MS. KAMARCK: Eric?

MR. FRANKL: So the only thing that I would add to that, well, maybe a couple of things, is this system we tend to look at in terms of ATC or airlines, and it's really much broader than that and it's a really, really sensitive ecosystem starting at some of these smaller community airports, which is where most people learn to fly. So any change can't really be done in a silo. It has to be -- it really does have to be done collaboratively because I think some people don't understand the impacts. And it's just like any other biological system: you take something out over here, it impacts it down the line.

In the case of particularly our smaller airports, we do struggle and part of this is a funding issue for the airports themselves, how this is going to play out. Congressman Shuster's bill I think adds more AIP funding for airports under this bill to support those airports. But by the

same token, if we don't have an appropriations bill that functions annually or we don't have a reauthorization bill, it's become very difficult to get projects done.

By the same token, we can't really -- we don't want to inhibit how someone becomes a pilot or what mechanisms they use to become a pilot. There are so many things that happen in rural communities that a small general aviation pilot is responsible for or takes the lead on. And that is some issues from medical transplants and all kinds of things that people don't really think about. So, again, to me it's really important to look at the whole system.

We have an issue going on in our industry right now in terms of what some people perceive as a pilot shortage, and I believe it. And part of that is because of how expensive it is to become a pilot. But if we don't have pilots in rural America, it's going to affect the system down the road. And I think we have to try to look at this.

And the one thing that I would agree with Jim on is I feel like this wasn't collaborative from the beginning. And I will give them credit, I'll absolutely give Congressman Shuster credit, this iteration is better than the one before because they did listen, and they deserve appreciation for that. But I think there are so many tentacles out there and I think the fear at least my general aviation community has is because they don't know. And not knowing some of these things they can't judge whether to support it or oppose it, so they're going to basically oppose it.

MS. KAMARCK: Before we go to the audience, any comments? Yeah, Trish?

MS. GILBERT: Yeah, I would want to add a couple things. And just so we're clear, I love you, Jim Coon. (Laughter)

MR. COON: Uh-oh.

MS. KAMARCK: Uh-oh. (Laughter)

SECRETARY BURNLEY: I love him more. (Laughter)

MS. GILBERT: And, you know, it's just a professional disagreement. I would say as far as funding of the system is, you look at what Nav Canada does, and I know

everybody says we're 10 times bigger and we are, well, that goes directly to the funding of the system. They do 14 million operations a year and they bring in significant amount of revenue. They're actually able to rebate some of it back to the users. So we do 141 million operations a year here.

So I would think based on weight and distance to air carriers and business aviation funding -- doing that into the system as well as general aviation would continue to pay the fuel tax at the pump, which would go into the government entity that oversees this new federally chartered corporation, that there would not be this need to make that decision as a board to start cutting away at services in rural America. I just don't believe that's going to happen because that's where our aviators come from, that's where our air traffic controllers are trained. For us to continue to have a robust system we're going to need to continue to invest in rural America, and I don't think we're doing that now.

So the whole idea that rural America is protected today under status quo is not correct. They are the first ones to be cut back: hours of operation, no service if there's none and the traffic grows there, or looking at reduction in staffing at those facilities.

And, yes, I am a union and we do care about benefits and pay for our members. I will tell you that we have missed some paychecks under the furlough scenario. But making up for that is we have our controller workforce working mandatory overtime not just here and there, but New York TRACON's been working mandatory overtime, 6 days a week, 10 hours a day, for 15 years. We're stretching our system too, too tight and we need to put appropriate resources behind it.

And it's not that we've never said that the funding isn't adequate. What we've said is the funding is uncertain. It's unpredictable, it's stop-and-go. It's not about the dollar amount. It's about two months, three months, one year, half a year. Oh, we haven't had a full year in a while. So that's my issue.

MR. COON: I've got to chime in here. I think that if we struck Title 2 of H.R.

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

2997, we'd have a 5-year, long-term FAA reauthorization bill. That would work and it would take care of Trish's problems.

MS. KAMARCK: Well?

SECRETARY BURNLEY: I haven't had a chance to speak on the rural America, and if I might for a moment.

MS. KAMARCK: Yeah, go ahead. Sure.

SECRETARY BURNLEY: Let me just say first, don't take anybody on this panel's word for what's in the bill. Go to the Transportation and Infrastructure Committee's website and read the bill for yourselves. Read the parts of it you're most interested in. Because all of these broad statements you've heard up here about what is and is not in the bill, frankly, are not correct, and you can go look it up for yourselves.

MR. COON: Please look it up.

SECRETARY BURNLEY: The fundamental threat that Trish just alluded to aviation service, both commercial and general aviation, in rural America is the status quo. William Swelbar of MIT released a study a few months ago in which he documented the fact that on the scheduled routes of the airline in this country over the last 10 years, the airlines have had to add to the schedules 33 million minutes. The way Trish's members keep the system safe as traffic continues to grow and outgrow the resources is by very gradually slowing it down.

The airlines are required by DOT regulations to publish on its schedules. And, in fact, since that regulation was put in place a couple of decades ago, the accuracy of the schedules and the on-time performance compared to the schedules shot up very dramatically. So they take that seriously.

And what is happening is, as Mr. Swelbar documented, is it's taking ever longer incrementally to fly from Point A to Point B. Those 33 million minutes require the airlines to have 1,000 extra pilots. So where do the big airlines get the pilots? They get them from the regional airlines. That's the feeder.

The regional airlines are the airlines that serve smaller communities in this country. Well, they're caught in a double whammy because just a few years ago, Congress enacted legislation that dramatically increased the number of hours of training, flying in the air, that a commercial pilot has to have. You have to have 1,500 hours to qualify. Now, you can argue the merits of that one way or the other, but it's a fact. And it has caused the number of pilots in the pipeline to dramatically decrease.

So the regional airlines are finding the big airlines need 1,000 extra pilots compared to 10 years ago just to fly the same routes. The supply of pilots for the smaller airlines is drying up because of these very demanding and expensive training requirements. And as a result, the regional airline of Alaska Airlines, Horizon, in mid-summer had to announce it was cancelling 6 percent of its routes to smaller communities. It's the status quo, ladies and gentlemen, that is the fundamental threat to air service in rural America.

MR. COON: Okay, I have to chime in here.

MS. KAMARCK: All right, last word, then we're going to go to the audience.

MR. COON: I have so much going through my head right now I don't know where to start. There are a number of reasons for the pilot shortage, a number of reasons of which this proposal before us today won't fix. So let's just get that out on the table.

I think that there have been many areas where the FAA has contracted out functions that have worked very, very well, like the Flight Service Station contract, like the air traffic control Contract Tower Program which has been lauded for years and years and years. So there are things we can do. We can consolidate old facilities that don't need to be maintained anymore. We could save a lot of money, believe me. So you could save a lot of money there.

You could take -- Congress could take FAA out of the sequestration proposal if they wanted to. They could implement biannual budgeting or at least kind of the contracting process that DOD uses. All these things can be done, none of which this bill is going help.

So I just want to -- I hope you do go and read the bill. I've read the bill many times. And so, you know, what I told you is in there and please look it up for yourself. But, you know, we just really need to come back to the basics of what it is we're trying to fix. What is it we're trying to fix? And we need to do it in a consensus approach. I would think that we would learn from history and figure out where everybody can come in agreement and ensure that this country continues to have the largest, most complex, and safest system in the world.

MS. KAMARCK: All right. I want to turn to the audience now. And I want to start with a Brookings scholar here, who actually has run an airline. And I just realized it when I saw Josh in the audience. So why don't we start with Josh right here, Josh Gotbaum?

MR. GOTBAUM: I'm John Gotbaum. I've spent half my career in business, half my career in government. I watched the first air traffic corporatization, privatization debate in the '90s, then I got my private pilot and I joined AOPA. And then I ran Hawaiian Airlines, and then I came back to Washington, came to Brookings, ran a couple government agencies in between, and discovered that 22 years later, we're still arguing about what does it take in order for the air traffic controllers to have a modern system?

NextGen is not next-gen. NextGen is last-gen. (Laughter) And I think the challenge here is that everybody has a legitimate reason that their compromise isn't perfect. But the result is that we have done nothing except let the system technologically slip back. And as long as everybody insists on getting their perfect piece, Congress isn't going to move.

Now, this is not just our air traffic control system. Here at Brookings we do meeting after meeting after meeting on bridges and roads and all this stuff, et cetera. And in every case, it is that we have stopped compromising. And so I apologize for not putting this in the form of a question, but I think it is at what point will we say to the Congress, okay, we can live with a compromise so that our FAA -- so our air traffic control system can join the 60 other nations that are using what is, frankly, last decade's technology?

MR. COON: I think Josh agrees with me. (Laughter)

MS. KAMARCK: Trish, what do you think?

MR. COON: Go ahead.

MS. KAMARCK: Oh, okay, Jim, finish your point.

MR. COON: Well, I just wanted to say, you know, look, every major U.S. airline in the United States -- every major U.S. airline in the United States -- albeit for three, have filed for bankruptcy at least once. Think about that. JetBlue, Alaska, and Southwest, major airlines. So, you know, I'll just leave it at that.

And the fact is I went through these things of what NextGen is. These are the top six platforms. That's modern technology that's out there today.

And again, we want to point to these other countries, these small, little countries. If you look at a map of the United States it looks like a Verizon coverage map with all the air traffic that's going on. And you juxtapose that to Canada, you might see a little dot in all of Canadian airspace. Trish pointed out that the size of these things don't even compare, you know. The airlines have, on average, every month a major computer outage through the airlines.

So you have to ask yourself, you know, again, what is it we're trying to fix here? What is it we're trying to fix? Who's not hearing me about the technology that's out there now on schedule to be fully deployed by 2025? Who has not heard me about the airlines have not equipped their fleet to use this equipment?

SECRETARY BURNLEY: The IG disagrees with you, Jim.

MR. COON: Well, I'm not sure about that. Anyway, you can go back and forth on all these things.

SECRETARY BURNLEY: I'll give this to you if you want.

MR. COON: When the NextGen Advisory Committee was put in place about 10 years ago, made up of stakeholders of the system, right, Trish?

MS. GILBERT: Mm-hmm.

MR. COON: Chaired by the airlines, the IG and the GAO said this thing's gotten back on track. The FAA just came out with a report yesterday suggesting that. Southwest Airlines has saved millions of dollars with Data Comm already. So, you know, it's out there.

Look, the fundamental problem here is this is about control. This is what this is about, it's about controlling the system, redistributing who's paying the revenue. I hear all these things about funding, funding, funding, but nobody can tell me how this is going to be funded differently. How is this system going to be funded differently? Ask yourself that.

MS. KAMARCK: All right. Let's get some more questions on the board and we'll let everybody respond to whatever. Right here, the gentleman right here. Yes.

CAPTAIN MILLS: Yes, good morning, and thanks so much for an excellent board. Just a great conversation. I'm Houston Mills with UPS. I've got a question.

I'm actually a captain on a 75-767 (phonetic) and certainly familiar with this system. I can tell you from an operator's perspective, you know, equipping our aircraft there's a hesitancy out there from an industry perspective to add all the equipment on because what Trish alluded to, and that is that certainty of funding. Now, certainly, from a modernization perspective, a long-term reauthorization bill would allow the FAA or anyone else to make the types of investments from a long-term perspective that would encourage industry to equip.

So one of my questions, this is to the panel, certainly in the current legislation there's the Airport and Airways Trust Fund, obviously it's a large percentage of how the whole system is funded, do you see the user's fees in this current legislation changing? Do you see those increasing or staying the same? Because obviously, from a user perspective, that's an area of concern.

SECRETARY BURNLEY: Can I go at that?

MS. KAMARCK: Sure.

SECRETARY BURNLEY: Because we've heard over and over again that there's no answer to that. Well, there is an answer to it and it's very clear, and Shuster's made it clear

over and over again. But Shuster does not write revenue titles of bills. The House Ways and Means Committee does that and they have written a title. And when the bill goes to the floor their title is ready to go and the Rules Committee of the House will insert it in and it addresses just the issue that Jim keeps saying is not in Shuster's bill. Well, it's in the other language.

And the Canadian model is the model that Shuster and the Ways and Means language follows, which is the user's fees that passengers pay today will be phased out as the new entity, the nonprofit corporation, substitutes equivalent user fees. The Canadians, by the way, as Trish alluded to, have actually lowered the user fees significantly because of the efficiencies they are gaining as they have leapfrogged us in technology in their system over the last 25 years.

But the idea that somehow there's not an answer to that is simply false. Shuster has made it clear over and over again, the Ways and Means Committee staff has written the language, there are answers to these questions.

And as to AIP, AIP would continue to be funded with a revenue stream composed first and foremost of the fuel taxes. So, again, the Shuster the idea is actually to increase the funding, as I think Trish mentioned, for AIP and his reauthorization bill.

I mean, there's a point at which smoke and mirrors and reality collide. And, again, the Canadian model is the model being followed here. You transfer the revenue flow essentially that we as passengers are paying to the new enterprise. It substitutes initially the same revenue flow, something called user fees instead of taxes, but designed to get you to the same outcomes. General aviation continues to pay fuel taxes. That continues to go into the trust fund and the airlines fuel taxes continue to go into the trust fund for AIP.

MS. KAMARCK: Okay.

MR. COON: Maybe Jim has seen the tax title, I haven't. I suspect, though, after my experience over the years that the tax title would continue the current funding stream to the length of the bill and then when the new entity took over, the new entity would propose the new

funding stream. I don't know if there's a target carved out --

SECRETARY BURNLEY: That's right, that's right.

MR. COON: -- for weight and distance, which the cargo industry would get heavily penalized, a huge increase, but maybe Jim knows if that's in the bill. I haven't seen it.

SECRETARY BURNLEY: That's not in the bill.

MR. COON: So I don't think anybody actually has seen the Ways and Means title, but usually they'll reauthorize taxes and fees for the length of the authorization. After that it becomes anybody's guess.

MS. KAMARCK: Any other burning things or should we go to -- let's go to another question. Dorothy, back there.

MS. ROBYN: Thank you. Dorothy Robyn, veteran of the Clinton White House working on this issue.

Jim Coon, you said one of the common -- or the only common denominator was the airline industry supporting spinning off the air traffic control system. And I would say there is another common denominator and that is GA opposition to spinning off the air traffic control system.

And in the Al Gore bill we held general aviation harmless. General aviation, your members would have continued to pay a de minimis fuel tax and that was for two reasons. That was for obvious political reasons, but that was for good public policy reasons because you want GA members, private pilots, to be -- you want to encourage them to take advantage of the safety features of the system. So it was good politics, it was good public policy. That didn't matter. AOPA didn't believe us. They opposed us.

Joe Stiglitz, who chaired the President's Council of Economic Advisors and won the Nobel Prize in economics, wrote about that issue in a famous paper he wrote on the private use of public interests. And he cited that as an example of the inability of the federal government to institute what he called "near-Pareto improvements," policy changes that are

good for almost everybody, but are able to be blocked by a narrow special interest group. He cited AOPA, general aviation, and the Gore bill.

So fast forward to the Shuster bill and Chairman Shuster went us one better. He put into statute that only a future Congress could change the hold harmless provision. So you guys were protected by the law. Not enough.

Sam Graves, chairman of the House GA Caucus, he is now supporting Shuster because he says Shuster gave me everything I asked for. Everything is in the bill.

What would it take -- what would it take -- for AOPA to get on board with and cease to be a common denominator in this ongoing problem?

MR. COON: Yeah. No, Dorothy, I appreciate that. That's some good comments there. And I was remiss in leaving out the fact that general aviation has been consistent in their opposition, so there's really nothing new there.

And in the last iterations, as I recall, and in a different position when this debate came around, general aviation was more than willing to discuss an increase in the fuel tax, which is, in our view, a very efficient way to collect taxes. We don't have to set up any kind of bureaucracy or paperwork. But you'll see some of these other countries that, you know, when you fly over in Europe, you get charged for just about everything. Even when they train aircraft, they don't touch down on the runway because you get charged when you do that, so they just kind of go down and then take off.

But, you know, I was just talking to a pilot the other day who was flying over in Germany two months ago and received in the mail a bill for 900 euros for using the system over there for 2 hours. So I think that, Dorothy, it is all about consensus. It's all about risks and unintended consequences. And I think that general aviation, I'm a little disappointed that the individual you cited suggested that general aviation was a narrow group, but, it's a public use system and it works for everyone today.

Again, I come back to the issue that it's not a funding problem. We do not have a

funding problem at the FAA. And the consensus around which I think people can build is removing the FAA from sequestration, pushing for biannual budgeting, procurement reform within the FAA, contracting out maybe some other items of the FAA, and moving in that direction.

Again, the NextGen Advisory Committee to which I referred to made up of all the stakeholders, they built consensus and they prioritized the NextGen and modernization of our system and it has worked well for 10 years according to the IG and according to the GAO. So, you know, there's always management faults in every business that I've been aware of. So can things always get better? Yeah, let's take a look at how we can make things better, but this whole thing needs to be consensus-based, and there is no consensus on privatizing our air traffic control system.

MS. KAMARCK: Trish, did you want to say something on this?

MS. GILBERT: You know, I want to go back to a point made over here, which was we're still missing place after 20, 25 years. My entire career this has been discussion about what do we do with the air traffic control system certainly as we watch other countries do different things?

I would say that, you know, NATCA's position is very clear. This is the bill before us. We support it because it meets our four core principles: it would maintain a safe and efficient system; it would maintain a secure relationship between the employer and the employees that safeguard that system; it allows for stability in funding; it addresses integration of new users, modernization of not just equipment and technology, but our facilities, as well. We believe it meets those four core principles. The status quo does not. We don't think a for-profit entity would do that.

So we are ready to have dialogue whether it's (inaudible) act or are we going to fall back to something else at some point? Maybe. Dedicated funding stream, multiyear appropriations, carve out of sequester, I don't know what the next conversation's going to be.

It's going to depend, I think, on the next make-up of Congress if this doesn't move through the House and then we compromise with the Senate. But certainly I think we need to get to a point where we really identify the things that need to be fixed.

And, again, it's not the funding. It's the stability of the funding. The appropriators do an incredible job writing very, very good bills, addressing the needs of the system.

Unfortunately, those bills that are written by the appropriators are not the bills that get signed into law. We see continuing resolutions instead of those bills, so.

MS. KAMARCK: Okay. Let's take a couple more questions. Yes, right here.

MR. LEOCHA: Hi, I'm Charlie Leocha and I run an organization called Travelers United. We're the largest consumer group in D.C. focused on travel.

And, Mr. Coons, when I listen to you, I can hear the apologists for horse and buggies fighting the introduction of the internal combustion engine and the automobiles. You know, people are being killed. We need to carry a lantern in front of all of the vehicles to let people know what's happening and there's danger, danger, danger.

And then the other thing you talk about a lot is we have to talk together. We have to come up with some sort of consensus. Well, I've been working in Washington since about 2009, and back in the old days of the Oberstar regimes in Washington, I would listen to the -- we've had these discussions over and over again about funding and about different ways of getting things done. And so far, we haven't had any way -- any movement forward. And we keep doing the same thing and we keep thinking we're going to get new results. And I think Einstein once said that was the symptom of madness.

And so what we need to do is somewhere we have to change the system. And I'm not an apologist for the airlines. Everybody who knows me knows that I probably fight them as viciously as anybody else. But in this particular case, we need to come up with a system where we have some kind of steady of funding and we can move it out of the Appropriations Committee. And as you say, there are lots of different reasons -- or not Appropriations, but out

of the Commerce Committee and T&I Committee, and then the Appropriations Committee come into it. They hate to see that much money just disappear from their control. We've got government unions that hate to see power disappear from the government union population as it goes off into a private area. There are a lot of different factors here.

But I am just trying to figure out that after your position for, how many years, 20-something years in Washington you've discussed this over and over again, what can we do to move forward? And you'll just say, okay, it's time we move forward. Because we can't keep going the same way we're going right now. We have to change something. And right now, this gives us an opportunity to move forward. This iteration of the bill is far, far superior to the one that we had previous to this to the point where my organization has come out in favor of this because now we have less airline control over the board.

And I'm just trying to find out, you know, they kind of worked out with me things that they would be willing to change, and with other stakeholders. And they've been trying to work with you and your group as stakeholders. I'm just trying to find out -- we've got a disconnect somewhere.

And we all understand that it's a very safe system, but so was the system of the horse and buggies. We need to move into the future and right now I sort of see this battle seems to be businesspeople and the general aviation people trying to hold everything back. It's like holding back the tide. And what can we do to make you guys happy so we could move forward in the next six months?

MS. KAMARCK: Good. I think, Jim, this is to you.

MR. COON: Thank you for your comments. I would say strike Title 2 and move a long-term FAA reauthorization bill. And we could sit down in a room and we could talk about removing sequestration, we could talk about consolidation of facilities, we could talk about procurement reform, and all of those things.

I think people need to understand, you know, in 1920, we navigated by bonfire

with the Postal Service. We have come a long, long way since then. So I'm not certain what you're trying to fix.

I think I pointed out the fact that we don't have a funding problem. The fact is that over the last 10 years the NextGen program has been on track and on budget, and that's in collaboration with the CEOs of the airline industry and their operational people. They haven't complained about this for 10 years. Then you get somebody in Washington who decides they want to go back to this apple again and fight the same fight that has happened repeatedly over and over and over again, I don't get that. No one came to me, no one came to my boss, no one came to us and said what is it that you want? We didn't see any bill till it was introduced.

So, you know, the process, you'd think we would learn from history. That's all I've got to say on that.

MS. KAMARCK: One last question. We have time for one last question. Oh, yes, right here. Yes, the young man up front here.

SPEAKER: All right. So thank you to the panel. This is primarily for the proponents of the bill. From my very brief Internet research it seems like the media isn't very sympathetic to your arguments and, predictably, Democrats are painting it as, you know, this is an effort by private interests to take control of safety. So how do you anticipate navigating the political difficulties, especially if it gets to the Senate?

SECRETARY BURNLEY: It's a very tough -- that's a good question -- it's a very tough challenge. As Elaine said at the outset, she has the scars from the early '90s --

MS. KAMARCK: Yeah, I know it's a tough challenge.

SECRETARY BURNLEY: -- when it was a Democratic proposal to remove air traffic control from the federal government. We're talking about, to put it differently, Mr. Jarvis referred to some government unions, obviously NATCA's a very important major exception. By far the biggest union is the FAA, but there are smaller unions that are opposed to it. You're talking about moving over 30,000 people out of the federal government. I mean, I have said in

other settings this would be the biggest systemic government reform since right after 9-11 we created the Department of Homeland Security, in terms of a change in the government plan of organization. That is hard by definition.

And all you can do is continue to work member by member in the House to see if you can build a majority. That is what the Republican leadership is doing and they have had some success in finding some Democrats, individual members, that will support the bill if it comes to the floor. They'd like to have more, frankly. And it's unfortunate that the ranking Democrat on the committee, Mr. DeFazio, decided quite a long time ago, last year, to go into sort of all-out opposition because it should not be a partisan debate. I think it's a good government issue and it should be viewed that way. And you can have differences about the proposal, but there's nothing really that ought to be partisan about it.

As to the Senate, I mean, that's an existential question on all issues, it's not just this one. And so if I were smart enough to answer that successfully, why would I be hanging around at The Brookings Institution this morning? (Laughter) I'd be on some beach somewhere because I would have gotten a patent and I'd be, you know, rolling in the big bucks. So I don't know the answer to that on any issue right now.

But I do know that this is the right thing to do, that we have a chairman in the House who has worked very hard on it for two years. He greatly improved this year's bill over last year's bill. He has got widespread support and diverse support from the major passenger group, from the major union, from big and small airlines, from the cargo industry, from ALPA, the major pilots union. All of these diverse interests have come together behind this bill and we just keep working on it and see if we can get there.

MS. GILBERT: Can I make a point to his question?

MS. KAMARCK: Yes, go ahead.

MS. GILBERT: We all know that the media needs headlines that are going to capture the reader and get them to read the article, so I think when you start from a system that

we all agree is something we're all very proud of, is a very complex, very safe system. So when you start from there, you say then why change? And then it's easier for those in opposition to throw safety issues at it; the end of a community in the system, meaning general aviation; or, even worse, just a couple days which I alluded to earlier, which would impact all of government programs and be the end of the world as we know it. So it's easier to get people to read when those headlines can really capture what the opposition would like to say because we're starting from a safe point, a safe, great system.

However, my concern is we need to sustain that. And what we don't need to do is wait for a crisis to then now us, the people that support reform because we think it's the right thing to do, wait for that crisis that drives the media and the public to we got to fix it, look how broken it is. Let's not wait till we get to broken. Let's work on those that realize we can't sustain what's happening today, status quo is not working, what is next? And there's a lot of ideas on "what next" is. And we're all on board on having that discussion to get to "next" because the system is something that we all need to be proud of and continue to maintain the integrity of our -- you know, it's a treasure for the United States economy, for this country, and we just need to figure this out.

MS. KAMARCK: Well, we've come to our stop time. I want to thank Trish and Eric and Jim and Jim. This has been a great panel. I think we have a good sense of the entirety of this issue. I wish all of you luck because you're all doing very important jobs in trying to improve the system. And thank you very much, it was a great audience, too. (Applause)

* * * * *

CERTIFICATE OF NOTARY PUBLIC

I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

Carleton J. Anderson, III

(Signature and Seal on File)

Notary Public in and for the Commonwealth of Virginia

Commission No. 351998

Expires: November 30, 2020