

PUBLICATION

Federal Aviation Administration Authorization Set to Expire September 30

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At the end of the month, the Federal Aviation Administration (FAA) authorization is set to expire. If not reauthorized, authority to fund the FAA and the nation's airway system will cease. As has been previously reported, in June, the House Transportation and Infrastructure Committee approved a six-year extension to the FAA's congressional authorization. The legislation included a controversial provision to spin off the FAA's Air Traffic Control (ATC) functions to a new non-profit company that would be supported by user fees from airline operators. The bill narrowly passed out of committee on a largely party line vote. Spinning off the ATC functions from the FAA has long been a goal of Committee Chair Bill Schuster (R-PA), but has been met by stiff opposition from the general aviation community who are worried that the new entity would prioritize the needs of commercial airlines above other users. The bill has not yet been considered by the full House.

The Senate Commerce Committee has passed its own FAA reauthorization bill that does not include the ATC privatization provisions. Committee Chair John Thune (R-SD) stated that he is open to considering privatization of the FAA's ATC functions, but that reauthorizing the FAA is his primary objective and any proposal related to the ATC system should have bipartisan support. Democrats meanwhile are skeptical and generally oppose privatization efforts while supporting targeted reforms to speed implementation of the FAA's NextGen GPS-based ATC system. In June, President Trump came out in support of Chairman Schuster's proposal as part of his push to modernize the nation's infrastructure, but since then has seemingly not dedicated significant political capital to push the issue forward.

Takeaway: Neither party wants to see an impasse over spinning off the ATC system lead to a shutdown of the FAA. Nevertheless, as of now, neither Chairman Schuster nor Chairman Thune seem to be willing to give in to the other's position. Additionally, with all the other priorities that will demand the attention of Congress between now and the end of the month, it is unlikely that precious Senate floor time will be dedicated to the issue. Expect some sort of a short-term extension to be passed and for the FAA to once again be spared a shutdown, avoiding a reprisal of the 2011 partial shutdown of the FAA when approximately 4,000 employees were placed on furlough, and construction projects at airports across the U.S. halted.