Privatizing Air Traffic Control

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Introduction

Air Traffic Control (ATC) systems play a crucial role in ensuring the safety and efficiency of aircraft and flights. They help prevent collisions, expedite the flow of air traffic, and provide information as well as support for pilots. In the United States, the Federal Aviation Administration (FAA) is facing a rapidly growing and increasingly complex aviation sector, as commercial air travel returns to pre-COVID levels and new technologies, such as drones, advanced air mobility, and commercial spaceflight, continue to emerge. These evolving conditions in the field are certainly demanding and require technologically advanced ATC systems. However, as National Airspace System (NAS) users increase, "the FAA systems, facilities, and equipment are decades old, antiquated, or obsolete and have outlived their useful service lives".[1] The growing demand in the industry, alongside the challenges faced by the FAA, creates arguments for the privatization of air traffic control. With different countries having implemented this approach and with abundant literature supporting it, we explain the current situation, explore the potential alternatives, and propose a plan to privatize the Air Traffic Control of the Federal Aviation Administration.

Current Structure & Challenges

The FAA, an agency of the U.S. Department of Transportation (DOT), oversees all civilian air traffic control operations across the United States. The Air Traffic Organization (ATO) is the operational arm of the FAA, and within it, Air Traffic Services (ATS) manages the NAS and international airspace assigned to the U.S. This represents more than 5 million square miles of airspace in the U.S. and more than 24 million square miles over oceans, which accounts for more than 17 percent of the world's airspace. ATS is responsible for Airport Traffic Control Towers

[1] U.S. Department of Transportation. (2025, May). *Brand new air traffic control system plan*. Access Link

(Federal and Contract), Terminal Radar Approach Control facilities, Air Route Traffic Control Centers, and Combined Control Facilities to guide aircraft through their various phases of flight.[2] The Air Traffic Organization Leadership team is composed of ten members, with the Chief Operating Officer being Franklin J. McIntosh.[3]

The Airport and Airway Trust Fund (AATF) is the main source of funding for the FAA, and, in FY 2024, the AATF accounted for 94% of the FAA's budget, with the remaining funds being sourced from the General Fund. This trust fund is funded principally by a variety of taxes paid by users of the NAS, such as taxes on airline passenger ticket sales, the flight segment tax, air cargo taxes, and aviation fuel taxes paid by both commercial and general aviation aircraft.[4] For FY 2025, the budget for FAA is $21.8B and 46% of it ($10.1B), allocated to ATO, which represents an increase of 14.7% from FAA's budget in FY 2024.[5] The AATF helps finance FAA investments in the airport and airway system, including construction projects, safety upgrades at airports, and technological improvements to air traffic control. It also supports FAA operations, with $13.6 billion allocated this year for activities such as providing air traffic control, overseeing commercial space launches, and conducting safety inspections.[6]

The increase in flight volume and users of the NAS has exposed the outdated American air traffic control systems that cannot deal with the actual demands of the aviation market and in some cases, even fail to operate. For example, on January 11, 2023, the FAA enacted a nationwide ground stop (all commercial air travel was stopped, and the planes remained on the tarmac for safety reasons) due to a critical technology outage. This was due to an overnight outage for the

[2] Federal Aviation Administration. (n.d.). *Air traffic services*. Access Link
[3] Federal Aviation Administration. (n.d.). *Air traffic organization leadership*. Access Link
[4] Congressional Research Service. (2023). *The Airport and Airway Trust Fund (AATF): An overview*. Access Link
[5] U.S. Department of Transportation. (2024, March). *FAA FY 2025 budget request*. Access Link
[6] Federal Aviation Administration. (n.d.). *Airport & airway trust fund (AATF)*. Access Link

Notice to Air Missions (NOTAMs) system, which provides vital safety details to airports and flight crews to prevent accidents, such as planning flight routes or sending alerts about potential dangers in the air and ground. But the NOTAM failure was not an exception, rather an addition to a long list of issues and challenges that the FAA and ATO have faced recently. For instance, in May of this year, at Newark airport, air traffic controllers lost all radar and radio communications with planes for 30 seconds, according to the FAA. Although there were no incidents, events like these expose the inefficiency of the ATC systems, whose equipment is 50 years old in some cases. According to the FAA, aging systems have been difficult to maintain due to the unavailability of parts and the retirement of technicians with expertise in maintaining them. In fact, the FAA has been struggling with a staffing shortage due to the low graduation rate of prospective air traffic controllers, whose training is extremely rigorous. As of May 2025, 99% of the ATC facilities in the U.S. were operating below recommended staffing levels.[7]

In 2024, the FAA evaluated the condition of all ATC systems. Of the 138 systems, 51 (37%) were deemed unsustainable, and 54 (39%) were potentially unsustainable. However, it is not just the state of the ATC systems that challenges the FAA's control of the NAS since it also found several weaknesses in how the FAA manages investments to modernize these systems. Furthermore, FAA's progress has been slow, taking years to establish budget, timeline, and performance baselines for different investments and projects. For example, as of May 2024, projects and planned investments for those systems that GAO had deemed critical were at least 6 to 10 years away, and four such systems did not have associated investments.[8] In this way, the

[7] Goldbaum, C. (2025, May 16). *Newark airport's crisis puts spotlight on U.S. air traffic controller shortage. The New York Times*. Access Link

[8] U.S. Government Accountability Office. (2024). *Air traffic control: FAA actions are urgently needed to modernize aging systems* (GAO-24-107001). Access Link

FAA has been in a loop where big projects and investments are carried out several decades apart, when the substituting equipment is already outdated.

The FAA also must deal with the bureaucratic inefficiencies and rigid constraints that come with government oversight, which have heavily affected timely innovation, responsiveness, and modernization efforts. Bureaucratic personnel and equipment procurement policy have prevented the FAA from procuring and using cutting-edge technology that would have improved economic efficiency.[9] For example, the FAA's annual budget, which is used to fund ATC's operations, is subject to an annual congressional budget process that can experience delays or even cuts. In fact, the FAA is part of discretionary, not mandatory, government spending, making it extremely vulnerable to each administration's approach towards government spending. For example, during the 2018 government shutdown, the FAA's training academy in Oklahoma City was closed, resulting in a hiring and training freeze for new air traffic controllers, contributing to the FAA's staffing crisis.

The FAA has recently proposed a "critical 3-year framework to reinvest in the National Airspace System to support an emergency supplemental funding increase to safeguard this important national asset."[10] This framework plans to transform the American ATC system from its current outdated state to a more technologically advanced system capable of satisfying the current and future demands of the industry. However, no specific spending plan to achieve these upgrades has been released yet. Although the plan is a step in the right direction, it highlights the failure of the current system, as this point should never have been reached. The current state of the FAA and the ATC systems depict the inefficiency that governmental agencies can sometimes

[9] Adams, A. W. (2005). The effects of air traffic control privatization on operating cost and flight safety. *Journal of Aviation/Aerospace Education & Research, 14*(3). Access Link
[10] U.S. Department of Transportation. (2025, May). *Brand new air traffic control system plan*. Access Link

reach. Given these circumstances, it is reasonable to expect that the private sector could approach Air Traffic Control with greater financial and organizational efficiency, while also delivering higher performance.

The Case for Privatization

Privatizing Air Traffic Control could present viable solutions to the ongoing challenges faced by the FAA. Proponents argue that a privatized ATC system would improve operational efficiency, encourage innovation, and ensure financial sustainability. Modernization of outdated systems would be accelerated under a privatized model, driven by the need for technological improvements. Furthermore, such a system would benefit from stable and transparent funding mechanisms, independent of congressional appropriations or aviation trust funds, which are often subject to delays due to political fights in Congress.

International Precedents

There are several international precedents of either full or partial privatization and corporatization. Some of these countries include Canada, the United Kingdom, Australia, New Zealand, Germany, and Switzerland. Two countries that have privatized this service are Canada and the United Kingdom. Canada established a privately run, non-profit (stakeholder-based model) corporation, while the United Kingdom established the National Air Traffic Services (NATS), which is a public-private partnership model. Furthermore, Switzerland implemented a non-profit government-controlled joint stock company, while in Australia, Germany, and New Zealand, air traffic is controlled by government-owned corporations.

United Kingdom: NATS

The United Kingdom's National Air Traffic Services (NATS) Holdings Limited was officially established in 2001, following its initial proposal in June 1998 and the passage of the Transport Act in 2000. As part of its formation, ownership was partially privatized, and the UK government selected the Airline Group as its preferred partner, selling 46% of NATS to them. Currently, the UK government retains a 49% stake in NATS Holdings, the Airline Group holds 42%, LHR Airports Limited (formerly the British Airports Authority) owns 4%, and the remaining 5% is allocated to employees through a share ownership plan.11 NATS operates on a for-profit basis and under a dual-structure system: NATS Services, which is unregulated and competes in the commercial market, provides air traffic control (ATC) services to both UK and international clients; and NATS En Route Ltd. (NERL), which manages the UK's upper airspace under a government-issued license. NERL is subject to economic regulation by the UK Civil Aviation Authority (CAA), which oversees pricing and revenue. While NATS has been largely successful, it has faced some challenges, most notably, a major system failure on August 28, 2023, which led to significant flight disruptions.

Canada: NAV CANADA

NAV CANADA was established in 1996 through the divestiture of air traffic control (ATC) services from the Canadian government, making Canada the first country to privatize its civil air navigation system. It operates as a non-profit, non-share capital corporation governed by a board that includes representatives from across the aviation sector, including airlines, government, unions, and general aviation.[11] This governance model has enabled NAV CANADA

[11] NAV CANADA. (n.d.). *Brief submitted to the House of Commons Standing Committee on Industry, Science and Technology*. Access Link

to maintain one of the safest and most technologically advanced ATC systems in the world. A key innovation is its development of space-based ADS-B (Automatic Dependent Surveillance–Broadcast), which has improved airspace efficiency, enhanced safety, and optimized traffic flow.

The organization is funded through user fees, with long-term financing obtained via publicly traded bonds. NAV CANADA is required by law to set rates for recreational and private aircraft in a manner that is not unreasonable and therefore covering operational costs, capital investments, and debt service only. To manage fluctuations in traffic volume without frequent fee changes, NAV CANADA maintains a rate stabilization account.[12] This approach has proven effective in keeping rates consistent, with user charges remaining unchanged between 2007 and 2014. In July 2016, the organization announced a 7.6% average reduction in charges for the year beginning September 1, 2016.

New Zealand: Airways NZ

Airways NZ is a government-owned corporation established in 1987 and overseen by a seven-member board of directors appointed by the ministers for state-owned enterprises and finance. Airways NZ describes itself as a highly autonomous version of a government-owned corporation, operating largely as a private company with a high degree of economic self-regulation.[13] Airways New Zealand determines user fees based on the Economic Value Added (EVA) principle, which is a performance measure that calculates how much value an organization generates beyond the required return on its capital. In this way, a portion of net operating profits is returned to users in the form of rebates. Additionally, Airways NZ collaborates with major

[12] NAV CANADA. (2018). *Management's discussion and analysis*. Access Link
[13] Airways New Zealand. (2009, May). *A strategic vision of air traffic management in New Zealand to 2015 and beyond* (2nd ed.). Christchurch, New Zealand.

airline customers to set fees through a memorandum of understanding, ensuring user input in the process.

Australia: Airservices Australia

The government-owned corporation Airservices Australia was established in 1995 to control the country's air traffic services. The corporation is managed by a board of directors appointed by the Australian Minister for Infrastructure and Regional Development. Airservices Australia utilizes a fee-for-service approach, and the Australian Competition and Consumer Commission oversees their pricing structure.[14]

Germany: DFS

In 1993, Germany's air traffic functions were transferred to Deutsche Flugsicherung (DFS), which is a government-owned corporation. The main driving factor to corporatization of ATC systems in Germany was the fact that the German federal government's annual budget process would constrain efforts to modernize air traffic technical infrastructure, like what occurs in the U.S. with the FAA nowadays.[15] Similar to Airservices Australia and Airways NZ, DFS is funded entirely by user fees. Currently, user fees in Germany are regulated by the European Union (EU). Under the EU scheme, en route charges are based on aircraft weight and distance flown, while terminal services are determined based on aircraft weight.

[14] Airservices Australia. (2024). *2023–2024 annual report.* Access Link
[15] Kaiser, S. A. (1991). *Two recent German cases of privatization: Air traffic control and the space agency.* Air Law, 16(3), 12–32. Access Link

Switzerland: Skyguide

Air traffic control in Switzerland and portions of adjacent airspace is operated by Skyguide, which operates as a joint-stock company, although the Swiss government must control a majority share (legally, it can hold as little as 51%) Currently, the Swiss government holds more than 99% of the shares. In principle, Skyguide is privately held in a manner similar to NAV CANADA, although in its current form it is more similar to Airways NZ. Furthermore, Skyguide falls under the regulatory authority of the Swiss Federal Office of Civil Aviation. Skyguide receives most of its revenue from charges on overflights and receives additional revenue from approach charges paid by aircraft using Swiss airports. Furthermore, it obtained about 14% of its 2013 operating revenue for air navigation services from the Swiss government.[16]

Potential Benefits

Changing the current ATC structure within the FAA into a private entity or a government-owned corporation would undoubtedly bring benefits to the FAA and to all users of the NAS, including commercial airlines, cargo carriers, private pilots, drone operators, military aircraft, and commercial space companies, essentially anyone who relies on or operates within U.S. airspace. We decided to analyze the potential benefits within different categories, such as Financial Structure, Cost Efficiency, Performance & Service Quality, and Safety & Security.

Financial Structure

The main potential benefit of privatizing ATC is the financial flexibility that would be obtained. First, the new organization would not be dependent on the country's annual budget, which can sometimes be subject to cuts, especially in the case of the FAA, whose funding is

[16] CANSO. (n.d.). *Skyguide.* Access Link

deemed discretionary. Therefore, this new type of entity would be able to issue equity and bonds as a way of self-financing. It is in fact access to bond markets that could provide the required capital to fund major technology upgrades and system modernization projects, such as the NextGen initiative within the FAA. Furthermore, the flexible financial structure of these types of organizations makes them better decision-makers. For example, a 2009 report indicated that commercial and private Air Navigation Service Providers (ANSPs) were more willing to forgo nonessential features and use off-the-shelf solutions to assure faster implementation and lower acquisition costs. This same report concluded that commercialized ANSPs exhibit agility in making decisions as well as an improved ability to execute those decisions. These characteristics have led to continuous improvements in efficiency, business discipline that delivers projects on schedule and on budget, and rapid deployment of new technology to enhance service quality.

A solid financial structure is the key to achieving a high-performing ATC, since adequate systems and equipment translate into higher performance, fewer delays, as well as increased safety and security. According to interviewed ANSP managers and clients, transport department officials, regulators and employees in a study, technology in privatized/commercialized ANSPs was far ahead of where it would be if air navigation services were still in government.[17]

Cost Efficiency

One way to measure the cost efficiency of different types of ATC structures is by identifying operational costs. A 2009 report found that the Air Navigation Service Providers (ANSPs) in Australia, Canada, New Zealand, and the United Kingdom reduced costs per instrument flight rules (IFR) aircraft movement between 5% and 15% from 1997 to 2004.[18] For

[17] Glen McDougall and Alasdair Roberts, *"Commercializing Air Traffic Control: Have the Reforms Worked?"* (Legal Studies Research Paper Series, Research Paper 09-11, Suffolk University Law School, Boston, MA, 2009). Access Link

example, Australia's privatization of ATC has reduced operating cost by procuring new equipment and reducing personnel. Furthermore, the privatization of ATC in New Zealand lowered operating cost by reducing personnel and replacing outdated equipment, turning annual operating losses into profits.[18] On the other hand, over the same period, FAA's operating costs increased by more than 20%, driven in part by labor costs increases, which were higher than in the other countries used for comparison.

The equipment utilized by the ATC systems is a big source of expense for the ANSPs, therefore, it is pertinent to analyze the effect of privatization/corporatization on equipment and its cost. According to a 2005 GAO report, several ANSPs reported that adopting a corporate model allowed them to buy and modify commercially available products, enabling them to achieve benefits faster and at lower cost than if they had designed and built systems from the ground up. The report also noted that this structure facilitated large-scale procurement partnerships among European ANSPs.[19] A decrease in equipment expenses allows these organizations to invest more funds into ensuring the safety of their services, which is the main priority of ATC.

Performance & Service Quality

A 2009 report found that service quality among corporate or privatized ANSPs generally improved, with better flight efficiency and reduced delays. Between 1997 and 2004, airline delays caused by ATC (not attributable to airline mistakes) declined at different ANSPs, such as NATS (UK), Skyguide (Switzerland), and DFS (Germany). These improvements were associated with technological modernization, which was mainly allowed by the financial flexibility of self-

[18] Anthony W. Adams, *"The Effects of Air Traffic Control Privatization on Operating Cost and Fight Safety,"* Journal of Aviation/Aerospace Education & Research, vol. 14, no. 3 (Spring 2005) Access Link

[19] U.S. Government Accountability Office. (2005, June). *Air traffic control: Characteristics and performance of selected international air navigation service providers and lessons learned from their commercialization (GAO-05-769).* Access Link

financed entities.[20] The logic used in the study was straightforward: non-dependent on the country's annual budget, and therefore, not having to compete with other areas and departments for additional public funding, these ANSPs could better plan for long-term projects and ensure that equipment stays updated. On the other hand, the FAA, equipment modernization efforts are often delayed and sometimes over budget, which then translates into the service they provide to the users of the NAS.

Safety & Security

A 2005 study examining ATC systems in Australia, Germany, New Zealand, and Switzerland concluded that these corporate models increased flight safety.[21] Another report from 2009 stated that several corporate ANSPs reduced rates of serious air traffic-related safety incidents between 1997 and 2004. The authors concluded that "commercialization" of air traffic services did not diminish safety culture and oversight. Generally, a decrease in flight safety has been associated with the ATC provider becoming private or corporate; however, in practice, this is not the case. In fact, in Canada, both safety regulators and investigators from Transport Canada and the Canadian Transportation Safety Board stated, "that there had been more reliable reporting and a stronger safety culture since commercialization."[22]

[20] McDougall, G., & Roberts, A. (2009). *Commercializing air traffic control: Have the reforms worked?* Suffolk University Law School. Access Link
[21] Adams, A. W. (2005). *The effects of air traffic control privatization on operating cost and flight safety.* Journal of Aviation/Aerospace Education & Research, 14(3). Access Link
[22] McDougall, G., & Roberts, A. (2009). *Commercializing air traffic control: Have the reforms worked?* Suffolk University Law School. Access Link

Potential Caveats

Considering international precedents, the privatization of ATC systems has proven successful and efficient. However, it is using those precedents to justify the privatization of the ATC system in the U.S. when a potential drawback may arise. None of the air traffic service organizations presented in this paper so far are comparable to the FAA in terms of their size or complexity. The U.S. has a larger territory to control and a busier and more complex network of airports, whether these may be used for commercial, private, or military purposes. Therefore, it is important to point out that these international precedents cannot be the only source on which a potential privatization of the American ATC system is based. This limitation does not discredit the benefit of privatizing the ATC but rather highlights the importance of taking into account that it will require adequate time and resources for a country as large as the US.

Implementation Strategies

Government Corporations & Service Contracts

The first implementation strategy is to convert the air traffic services into a government corporation or quasi-governmental organization. These exist as hybrids between governmental and private sectors. There are examples of these such as Tennessee Valley Authority, mortgage lender Fannie Mae, intercity passenger rail provider Amtrak, the Smithsonian Institution, and the National Academies. The FAA works closely with a congressionally chartered not-for-profit corporation, called MITRE Center for Advanced Aviation System Development, on air traffic control technologies. The FAA also has experience outsourcing major acquisitions of air traffic control technologies; however, the FAA has not outsourced any operations linked with radar control of air traffic. Airservices Australia and Germany's DFS have proved that government-owned

corporations can operate with strong performance and financial outcomes through user-fee-based funding.

Public-Private Partnerships

Public-private partnerships represent another key implementation strategy that offers both federal government and aviation industry stakeholders a share in financial and organizational oversight. The NATS UK is an example of what a public-private partnership in air traffic control would be like. Public-private partnerships are also known as P3s, and Congress has shown great interest in P3s in other fields to leverage government assets. This helps potentially reduce federal government costs as well as share the associated risks with private firms. The Department of Defense and Department of Veteran Affairs have also relied on P3s to design, build, maintain and operate highway and public transportation projects, proving they have been successful.

Private Entities

A privatized model regulated by the FAA could offer a similar structure as NAV CANADA, in which stakeholders with varied interests serve through the board of directors. When the ATC provider is separated from the government, it could, in theory, become a publicly traded company. However, this is generally not desirable, as ownership is better kept within aviation industry stakeholders. NAV CANADA, a private corporation, functions as a non-profit, stakeholder-governed corporation and is held quite closely with industry stakeholders which is noticeably different from a public corporation whose shares are publicly traded. This model would enable financial stability through user fees, support long term investment in technologies, and remove funding constraints from federal budgets.

Financing & Funding

Fee-Based Model

Historically, most proposals to corporatize or privatize ATC systems have proposed user fees, rather than taxes, as the source of revenue for the potential corporation. In fact, according to a journal article, a privatized ATC system should be funded through genuine user fees rather than user taxes. This approach not only makes economic sense but also helps protect the ATC system from the political influence that inevitably comes with tax-based funding.[23] These fees, potentially determined by factors such as aircraft weight, flight distance, air traffic control during approach and landing, and ground operations, would be required to comply with policies established by the International Civil Aviation Organization (ICAO).[24]

The main advantage of a fee-based model is that commercial airlines would be charged directly, rather than passengers. Since airlines would face new costs (they currently pay only fuel tax, with most costs passed to passengers), they would likely raise ticket prices. Would this make air travel more expensive for passengers? According to an analysis by the Eno Center for Transportation, an independent non-profit focused on multimodal transportation policy, "NAV CANADA ATC fees are consistently less expensive than comparable taxes charged to passengers and airlines in the United States." In fact, the smallest calculated gap shows NAV CANADA's fees are 30% lower than U.S. aviation taxes.[25]

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[23] Poole, R. W. (1983). *Privatizing air traffic control. Transportation Research Record: Journal of the Transportation Research Board, 912.* Access Link

[24] International Civil Aviation Organization. (2009). *ICAO's policies on charges for airports and air navigation services* (8th ed.). Access Link

[25] Eno Center for Transportation. (n.d.). *How do taxes and fees change if air traffic control is privatized?* Access Link

While safety remains the most important consideration when evaluating the privatization of America's ATC system, potential impacts on ticket prices are also critical, especially amid rising inflation. The fact that user fees in Canada, a comparable system, are actually lower than current U.S. taxes strengthens the case for privatizing the American ATC system.

Regulatory Frameworks, Oversight & Public Interest Safeguards

A 2016 GAO survey of aviation experts and stakeholders found that clearly defining the roles and responsibilities between the FAA and a separate ANSP would be a critical factor in transitioning to a private or corporate ANSP model. The surveyed experts unanimously agreed that the FAA should retain authority over aviation safety oversight and regulation.[26] Privatizing air traffic control (ATC) requires a robust regulatory framework to safeguard safety, efficiency, and public interest throughout the transition. A key element of any privatized or corporatized model is establishing clear, enforceable boundaries between the service provider and the regulator, whether it is private, non-profit, or government owned. air traffic services. Under such a structure, the FAA would continue its role as regulator, setting safety standards, procedures, and monitoring compliance, while operational responsibilities would shift to an independent ANSP. This arrangement would allow the FAA to focus on oversight and enable the ANSP to drive improvements in efficiency, modernization, and service delivery, ultimately benefiting all aviation stakeholders.

[26] U.S. Government Accountability Office. (2016). *Air traffic control: Experts' and stakeholders' views on key issues to consider in a potential restructuring* (GAO-17-131). Access Link

Proposal

While there is opposition to reforming the ATC in the United States, many countries have implemented similar models and have had great success. The current United States Air Traffic Control (ATC) system has resulted in longstanding problems closely related to outdated technology, inconsistent funding, and rising operational costs. This proposal would address these issues and modernize the national airspace by privatizing the American ATC system to an independent non-profit entity, similar to NAV CANADA. To ensure a safer, more efficient, and financially sustainable ATC system, we recommend the FAA model transition to a non-profit, private air navigation service provider.

A crucial aspect of this new system would be the establishment of a new ATC organization that primarily charges commercial airlines user fees based on aircraft weight, distance traveled, and other operational factors. Currently, airline passengers are taxed through fixed rates and percentage-based fees on each ticket. These include a 7.5% passenger ticket tax, and other federal passenger charges, resulting in a total of 18.6% tax on each ticket.[27] Charging a fixed percentage of the ticket may lead to overcharging. However, funding from user fees replaces existing passenger taxes and allows for a more predictable and fair funding system that can ensure financial stability for the ATC provider in the long run.

Another significant advantage of privatizing America's ATC system is the ability to secure long-term funding through bond issuance. Unlike the current system, which relies on annual congressional appropriations subject to political uncertainty, a privatized ATC provider could issue bonds backed by stable user fees. This would ensure consistent capital for critical infrastructure upgrades, accelerate modernization efforts, and reduce the risk of costly delays tied

[27] Airlines for America. (n.d.). *U.S. government-imposed taxes on air transportation*. Access Link

to unpredictable government budgets, creating a more reliable air traffic system. This would allow for the ATC provider to plan and execute improvements to navigation systems, technological advancements, and safety protocols without political interruptions. A privatized, non-profit would accelerate air traffic service technology, which is one of the biggest flaws of the current system.

Lastly, a board of directors would play a crucial role in the success of a privatized ATC system. The board would include representatives from airlines, airports, general aviation, labor groups, independent experts, and most importantly, the FAA. This ensures that industry experience is combined with government oversight, keeping safety and public interest a priority. With this balance, the board would be able to make informed decisions that promote efficiency, modernization, and accountability.

Conclusion

Privatizing the United States Air Traffic Control system is necessary to meet the evolving demands of the aviation industry. The current FAA model is increasingly constrained by outdated technology, funding challenges, and bureaucratic inefficiencies. As noted, multiple international models such as NAV CANADA and NATS UK have demonstrated that privatization can improve efficiency, finances, safety, and technological innovation. By adopting a user-fee-based structure, using bonds for long-term investments, and implementing governance with both the industry and public interest. Transitioning out of the current model will be complex, however, the potential benefits of more reliable service, enhanced safety, lower operational costs, and improved technology outweigh the risks. A modernized ATC system would not only benefit the aviation industry but would also create a safer and more efficient airspace for the nation.