Cost Sharing To Modernize Air Traffic Control and Airports

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Three government commissions in the past seven years have warned that the U.S. air traffic control (ATC) system will not be able to handle the projected growth in aviation. In 1993, former Virginia Governor Gerald Baliles' commission cautioned about congestion; in 1997, the commission chaired by then-Congressman Norman Mineta warned about gridlock. One of our most important transportation challenges, therefore, is to increase the capacity of the aviation system, both in the air and on the ground.

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The Federal Aviation Administration (FAA) is aggressively modernizing ATC, taking steps to improve efficiency while developing a long-term plan to improve capacity and flexibility. Funding is a particular challenge. However, FAA's reauthorization last year—under the Wendell H. Ford Aviation and Investment Reform Act for the 21st Century (AIR-21)—greatly enhanced the funding available. The legislation included a provision for federal government and private-sector partnerships to address aviation infrastructure investment.

Accelerating Investment

In the congressional discussions and debates leading to AIR-21, Senator Jay Rockefeller proposed a pilot air traffic modernization program, a new direction for innovative finance and public-private ventures. In its final form[1] the pilot program permits cost-sharing of air traffic modernization projects for fiscal years 2001 through 2003, so that airports and airport–air carrier joint ventures may procure and install facilities and equipment in partnership with FAA. The purpose of the pilot program is to:

- Accelerate infrastructure investment critical for modernizing the ATC system;
- Involve key participants (airports, air carriers, and FAA); and
- Leverage federal funds with private capital.

Under the pilot program, FAA may make grants to eligible sponsors for not more than 10 projects, with each project limited to federal funding of $15 million and a 33 percent federal cost share. A project sponsor may be a public-use airport (or a group of public-use airports), or a joint venture between a public-use airport (or a group of public-use airports) and one or more U.S. air carriers. Eligible projects include airport-specific air traffic facilities and equipment, automation to improve airport capacity, and facilities and equipment that enhance airspace control. Sponsors may transfer pilot program projects to FAA without reimbursement, and FAA will accept, operate, and maintain the projects.

According to supplementary guidelines,[2] FAA may conduct as many as three annual application cycles, each in two phases. In the first phase of the first cycle, which closed January 19, FAA received applications from 19 airports and airport–air carrier joint ventures, encompassing 27 projects. The total estimated capital cost of these projects was $550 million, approximately $400 million of which was from project sponsors.

Sample Projects

The 27 projects represented diverse technologies complementing FAA's strategic plan and modern-

[1] AIR-21, Section 304.

[2] *Federal Register,* December 6, 2000.

ization goals. Applications in the area of aviation safety included

- Low-level windshear alert systems, which detect and report on windshears, microbursts, gust fronts, and precipitation that can endanger landing and departing aircraft;
- Local-area augmentation systems, which use Global Positioning System satellite technology to guide aircraft onto runways in adverse weather conditions;
- Multilateration surveillance, which provides information about airport surface movements and reduces the risks and incidence of runway incursions; and
- Airport traffic control towers, which reduce the risk of collision in the airport vicinity.

Applications in the area of aviation system capacity and efficiency covered such systems as

- Precision runway monitors, which allow simultaneous use of closely spaced parallel runways during poor weather and provide for necessary increases in capacity at certain airports;
- Instrument landing systems, which increase runway use during low cloud ceilings and visibility;
- Wake vortex detection and spacing systems, which increase aircraft throughput by allowing controllers to optimize the space between aircraft taking off or landing; and
- The passive final approach spacing tool, which spaces aircraft more accurately on final approach.

Next Phases

To gain a range of experience under the pilot program's limit of 10 projects, FAA will consummate partnerships on only a subset of the first-round proposals. A team of FAA and other National Airspace System experts carefully reviewed all proposals in February and informed applicants about the results on March 16. Some applicants were invited to participate in Phase 2 of the selection process; others were asked for additional information. FAA will announce final project selections for the first cycle on or about July 13.

Before the next cycle, FAA will publish a notice in the *Federal Register* outlining application guidelines; applications will be due December 14, 2001. The first phase requires (1) sponsor identification; (2) a description of the project, specifying location, benefits, costs (including sponsor's share), and schedule; and (3) a self-assessment of the sponsor's ability to fund the cost share.

Sponsors of projects that pass the initial screening must provide a letter of commitment and a letter of support from the state's department of transportation or other appropriate jurisdiction. Details about these and other requirements will appear in the *Federal Register*.

The Federal Aviation Administration is modernizing air traffic control, including technology and towers.

All citizens have a stake in aviation, which makes enormous contributions to the U.S. economy, global competitiveness, and quality of life. The pilot program offers opportunities to accelerate vital modernization projects at specific airports and to increase efficiency. If the approach proves successful, FAA may request that Congress extend the pilot or continue the program permanently under a future reauthorization.

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