

The National Air Traffic Controllers Association (NATCA) is the exclusive representative of nearly 20,000 aviation safety professionals, including more than 14,000 air traffic controllers serving the Federal Aviation Administration (FAA), the Department of Defense (DOD), and the private sector. In addition, NATCA represents traffic management coordinators, FAA engineers and architects, FAA operational support staff specialists, aircraft certification professionals, FAA airports division, regional counsels, and personnel from FAA's regions and center operations, financial management, acquisitions, and information technology divisions, FAA's Alaska flight service station air traffic control specialists, FAA aviation technical systems specialists, flight procedures specialists, automation specialists, FAA drug abatement professionals, and employees of the U.S. NOTAM service.

Air traffic controllers and aviation specialists are dedicated to ensuring that our National Airspace System (NAS) is the safest and most efficient in the world. Controller skills are put to work every day as they handle an impressive volume of traffic -- they separate more than 70,000 flights each day, safely moving nearly two million passengers through our skies daily. Air traffic controllers handle these flights in the busiest and most complex airspace in the world with roughly 5,000 planes in the sky at any given moment. Additionally, in order to maintain that safety and efficiency, our controllers work to improve safety procedures, modernize the NAS, and promote new technology. We have professional controllers involved in nearly every modernization and Next Generation Air Transportation System (NextGen)-related program the FAA is currently working on.

### *Executive Summary*

Aviation is a major driver of the U.S. economy - it drives nearly 12 million jobs that contribute \$1.5 trillion to the nation's gross domestic product. Two million passengers fly on 70,000 flights every single day. And yet the air traffic control system, which keeps the aviation system moving, continually faces unstable and unpredictable funding. While the most recent problems can be tied directly to sequestration, unpredictable funding has been a problem for many years, including Congress's difficulty in passing a FAA Reauthorization bill – it required 23 extensions before a final reauthorization was passed in February of 2012. The current political environment, budget deficit, and other extenuating circumstances have all contributed to a lack of regular order in the appropriations and budget process. As you are aware, Congress has come to rely on temporary short-term funding measures. A stand-alone Transportation, Housing and Urban Development (THUD) Appropriations bill has not been passed since 2006. Subsequent years have relied on omnibus spending packages or continuing resolutions to fund the government and Department of Transportation.

The most recent funding problem involves the rigid rules known as sequestration set forth by the 2011 Budget Control Act. That law required Congress to pass a budget that achieved \$1.3 billion in spending reductions or face the consequences of indiscriminate, across-the-board spending cuts. When Congress did not reach an agreement on a budget that cut \$1.3 billion, sequestration cuts went into effect in March 2013. Sequestration cuts have affected programs throughout the federal government. The end result at the FAA has been a mix of lower annual appropriations increases, and periods of indiscriminate cuts such as those in April 2013 that resulted in the FAA being forced to furlough its employees, including air traffic controllers. Sequestration has also had a substantial effect on the FAA's ability to plan for the future of the NAS. It will continue into Fiscal Year (FY) 2023. Over the next eight years, these cuts will fundamentally change the way our aviation system works. At this time, the NAS is inclusive and accessible, but continued sequestration cuts put rural towers at serious risk. In all likelihood, rural service will be greatly limited by the end of the sequestration period in FY 2023, creating burdens for those citizens while having a dramatic impact on general aviation, as well as corporate flights.

While NATCA sees many other problems and challenges for the FAA, we believe that funding is the primary issue to be addressed with the utmost urgency. The NAS is a 24/7 operation, and the FAA's aviation specialists and air traffic controllers must continue to run that system while simultaneously working on research, development, testing, and the implementation of technology modernization, as well as training new hires to become fully certified controllers (CPCs). Stop-and-go funding increases costs and creates delays for all modernization efforts. Specifically, the instability makes planning for complex modernization projects impossible: when trying to budget over multiple years, the FAA needs to know what to expect. In that regard, the threat of budget cuts can be as bad as the cuts themselves. Funding uncertainty has meant that the FAA has been unable to hire and train a sufficient number of new controllers for the past year, and funding uncertainty also led to the April 2013 furloughs, which resulted in severe delays nationwide. Even potential shutdowns, furloughs, and budget cuts are significant to the system. All of these concerns can be addressed with stable, predictable, and adequate funding. Congress and the FAA must work together to provide stable, predictable, and adequate funds for the FAA to continue running the safest, most efficient, and most complex airspace in the world.

### *Funding ATC: Current Funding Structure*

The current funding structure requires that the FAA draw from both the Airport and Airway Trust Fund (AATF), as well as the general fund, which is funded through general appropriations by Congress. While the AATF has been a relatively stable source of revenue over the past five years, the general fund has been subject to sequestration cuts as well as other funding disruptions that have affected the FAA and the federal government as a whole.

**Airport and Airway Trust Fund:** In 2012, AATF had revenues of \$12.5 billion, and maintained a cash balance of more than \$10 billion. Since FY 2009, the AATF has provided 66-71 percent of the FAA's total annual funding. The remainder comes from general appropriations. Long-term viability of the AATF is a concern because it is dependent on airline ticket sales, and both flight volume and ticket prices have the potential to fluctuate. However, the FAA forecast predicts that traffic will increase between 2014 and 2024, with an increase of about 3 percent between 2014 and 2019.

**FAA Budget Accounts:** FAA funding that is subject to the appropriations process has not increased at the same rate in recent years as it has historically. Historic funding levels for the FAA have generally been between \$15 and \$16 billion annually. FY 2014 was \$15.814 billion (compared to \$15.77 in FY 2013, and \$15.9 in FY 2012).

**Operations and Maintenance:** This accounts for about 60 percent of total funding, and funds air traffic operations and aviation safety programs. The appropriated amount dropped from \$9.653 billion in FY 2012 to \$9.148 billion in FY 2013.

**Airport Improvement Program:** The AIP provides federal grants for projects such as new runways, and taxiways, runway lengthening, rehabilitation, and repair. The funds are generally distributed as a formula grant or discretionary grant. The Passenger Facility Charge (PFC) provides a source of non-federal funds intended to complement AIP spending. PFC is a local tax imposed by an airport on each boarding passenger, and can be used for a broader range of projects than AIP funds. PFC is currently capped at \$4.50/person, and are collected by the airlines and remitted to airports.

**Research Engineering, and Development:** This account funds research on improving aviation safety and operational efficiency and reducing environmental impacts of aviation operations.

**Facilities and Equipment (F&E):** This account provides funding for the acquisition and maintenance of air traffic facilities and equipment, and for engineering, development, testing, and evaluation of technologies related to the federal air traffic system.

**NextGen:** Funding for NextGen modernization projects is more than \$1 billion annually, and comes through the F&E account. Spending for FY 2011-2014 (requested) was as follows: \$883 million, \$935 million, \$944 million, and \$1,002 million. The majority of the funding is allocated to ADS-B and DataComm. While it is certainly true that NextGen has suffered delays and cost-overruns, those problems are not simply because the FAA cannot oversee such a complex modernization effort. In reality, NextGen presents significant challenges in development and implementation that are unique to aviation and air traffic control. For example, in order for NextGen technology to be of use, aviation stakeholders must adopt NextGen technology. In order to encourage equipage, the FAA has been informally employing a “best equipped, best served” standard in which airlines that equip early will benefit through preferential treatment in flight routing and in the arrival and departure phases of flight. ADS-B also provides intrinsic benefits such as up to the minute traffic and weather data that could greatly help small general aviation aircraft.

**Trends:** In recent years, we have seen an increased reliance on the AATF, and the Operations budget has not increased at the same steady rate since sequestration cuts officially took place in January 2013. The FAA has been increasingly funded through excise taxes and less through general appropriations – for example, in FY 2010, 66.6 percent of FAA funding came from the AATF, while it increased to 71.5 percent in FY 2013. Between FY 2010 and FY 2013, the AATF contributed: \$10.6 billion, \$11.5 billion, \$12.5 billion, and \$12.9 billion, respectively.

### *FAA Funding Has Been Disrupted*

Because the FAA is reliant on the appropriations process for part of its funding, it is susceptible to disruptions that occur when the appropriations process is not functioning smoothly. Over the past three years, the FAA has been negatively affected by numerous funding problems, all of which have left it without the ability to fulfill long-term projects or meet hiring and staffing requirements. This section highlights these sources of disrupted funding to show that a wide range of problems can affect the FAA’s regular budget and planning process.

**The Federal Aviation Administration Reauthorization Act:** FAA Reauthorization is the authorizing measure that establishes, continues, or modifies FAA programs and activities. This was delayed over three years with 23 extensions before finally being signed into law in February 2012. In the interim, the FAA had limited ability to alter its budget allocations. Congress has already begun looking at the next Reauthorization, which we hope will be completed by 2015 when the current authorization expires.

**2011 Partial Government Shutdown:** When an agreement could not be reached on the 21st FAA authorization extension, the FAA was partially shut down for two weeks during the summer of 2011. This cost the government nearly \$30 million a day in lost revenue and delayed modernization projects and left FAA employees without pay for a significant period of time. Although Congress later awarded backpay, those aviation safety specialists had to experience funding uncertainty at a personal level, resulting in low morale and a loss of confidence in the funding system. During that shutdown, the AATF experienced a lapse in revenue collection authority (\$30 million a day), and a subsequent extension renewed that revenue collection authority and ended the furloughs.

**2013 Sequestration Cuts:** Sequestration cut nearly \$493 million from the FAA’s Operations budget, \$142 million from its Facilities and Equipment budget, and \$8.6 million from its Research, Engineering, and Development budget. These sequestration cuts were not the result of a research-driven strategy to

increase safety and efficiency, but rather for the sole purpose of saving money. Sequestration cuts, which are currently on hold for FY 2014 and FY 2015 but will resume in FY 2016 through 2023, have had many negative effects on the NAS. For example, preventative maintenance is being delayed. This means that engineers must contend with a fix-on-fail policy, forcing them to wait until equipment breaks before replacing it. This creates an inherent safety concern, in addition to the types of delays that result from furloughing FAA employees. These funding cuts are problematic and will continue until Congress finds a way to end sequestration. Until then, our NAS is in jeopardy of falling behind on efficiency, capacity, and most importantly, safety.

**2013 Sequestration Furloughs and Threatened Tower Closures:** In April 2013, sequestration forced the FAA to furlough every employee, including air traffic controllers, and consider closing towers in order to achieve the mandated spending cuts. The sequestration cuts to the FAA Operations budget were directly responsible for the April 2013 air traffic controller furloughs, which led to massive delays: During the week of April 21-27, 2013 delays jumped to 13,694, nearly triple the 5,103 delays in the same week in 2012.

**2013 Federal Government Shutdown:** By the end of the fiscal year in October 2013, Congress still had not passed appropriations bills to fund the government in FY 2014. When October 1<sup>st</sup> arrived, the government was forced to shut down. With that, the FAA was forced to shut down, leading to another furlough of FAA employees. The Office of Management and Budget (OMB) estimates that total furloughs government-wide cost the government \$2.5 billion in retroactive pay and benefits for furloughed workers who were unable to do their jobs during that period.

**Lack of Appropriations Bills:** In 2013, Congress did not pass a stand-alone FY 2014 THUD Appropriations bill. Currently, it is not likely that Congress will pass one for FY 2015 either. Congress has come to rely on temporary, short-term funding measures - continuing resolutions. As a matter of fact, a stand-alone THUD Appropriations bill has not been passed since 2006. Subsequent years, including this year, have relied on omnibus spending packages or continuing resolutions to fund the government. The FAA cannot be expected to accomplish modernization projects without the funding stability provided by an individual appropriations bill.

### *Consequences of Unstable, Unpredictable Funding*

As a result of the unstable and unpredictable funding that the FAA has been forced to accept, we are seeing negative consequences and additional challenges. One primary concern is the safety of the NAS, which is put into jeopardy every time budget cuts force the FAA to delay maintenance and infrastructure improvements. Another problem is under-staffing, which was worsened by the closure of the FAA's training Academy for the majority of 2013. It reopened in January 2014, but was not able to train its maximum capacity in FY 2014. In addition to the personnel problems, funding uncertainty has created an environment in which the FAA cannot plan for essential modernization projects. Design, testing, and implementation stages of major projects have all been delayed or, in some cases, permanently put on hold.

**1. Operational & Redundancy Concerns:** The NAS is a complex system that is designed to rely on redundancy to protect safety. In order for this to happen, the system must be fully staffed and equipped with the proper tools and technologies in order to react quickly to any problem that arises. Recent funding problems have challenged the FAA's ability to do this. For example, the 2013 government shutdown forced the FAA to halt important aspects of maintenance of the air traffic control system. Delays in maintenance put the technology that air traffic controllers rely on at risk of failing or malfunctioning. Low priority was given to preventative maintenance as technician hours were reduced. Critical infrastructure maintenance and improvements were also in jeopardy during this shutdown, and have been slowly

ramping back up since the shutdown. This is unacceptable in an environment where precision is essential. In addition to lack of maintenance, FAA working groups were unable to meet during the most recent 2013 government shutdown, delaying implementation of new airspace and safety procedures. All of these issues increase the probability for future safety problems. Safety should be the government's first priority. The FAA and aviation safety professionals put safety above all else, but when the physical infrastructure is deficient, safety may be at risk.

**2. Inadequate Staffing:** The NAS relies on trained air traffic controllers and aviation safety professionals to operate the safest, most efficient and complex airspace in the world. A lack of fully certified air traffic controllers negatively affects the FAA's ability to train new hires, develop and implement modernized technology, and efficiently control traffic. Of nearly 14,100 air traffic controllers, over 2,500 are currently eligible to retire. That's close to 18 percent of the system. In order to maintain current system capacity, the FAA must continue training the next generation of air traffic controllers, but is limited by the time it takes to train new hires (two to four years), and the capacity of the training system (throughput at the training Academy is about 1,800 per year with approximately 25 percent failing). Today, more than 300 fewer fully certified controllers are working than in January of this year (12,442 today compared to 12,774 in January 2014). That is a two percent decrease in fully certified controllers while traffic has increased by 13 percent over the same period. The FAA can barely hire and train new hires fast enough. Aviation safety specialists, especially air traffic controllers, are the backbone of the NAS. Neglecting the human component of the NAS will affect both the safety and the efficiency of the system in both the near and long-term.

- **Staffing Imbalance and Critically Staffed Facilities:** If the current situation continues unchecked, the NAS will see an increased number of understaffed facilities, inadequately staffed facilities, and critically staffed facilities. Inadequately staffed facilities are those that do not have enough controllers to open all of their positions, require controllers to work too long on position, work extended shifts, and require controllers to work six-day weeks (the last three examples require using overtime). All of these could translate into reduced capacity, meaning fewer planes in the sky and greater potential for delays. A critically staffed facility is one that often cannot open all positions even with the use of overtime or other tactics employed by inadequately staffed facilities. Unfortunately, some of the busiest and most complex airspace relies on facilities that are inadequately or critically staffed. The extended work days and weeks also leads to significant fatigue problems with the workforce, one of the highest priority safety concerns identified by the National Transportation Safety Board (NTSB).

Understaffed facilities are already becoming inadequately or critically staffed facilities. New York TRACON (N90) and Chicago TRACON (C90) present a special problem because Academy graduates rarely, if ever, achieve full certification at these facilities due to the complexity of the airspace these two TRACONS control. Any new hire must first train at another facility and become fully certified before transferring to either of these two facilities in order to have a higher likelihood of success. And even then, there's no guarantee that a new trainee will succeed. As of October 1, 2014 N90 has 145 CPC's, 45 of whom are eligible to retire. That means roughly 31 percent of N90s fully trained controllers could leave at any time. N90 has five airspace areas, but in 2014 eight CPCs are eligible to retire from the radar approach control area that services Newark Airport. If all eight were to retire before anyone can be trained to replace them, it would not be possible to safely maintain the same number of operations per day there.

- **Effect on NextGen:** Understaffing also hinders facilities throughout the country from deploying NextGen programs, procedures, and equipment. At many larger air traffic facilities, there are not enough fully certified controllers to cover positions for those controllers who would be released to work on NextGen, or for those who need to be trained on NextGen. Specifically, Atlanta TRACON

may not be able to deploy Terminal Automation and Replacement Modernization (TAMR) at the facility due to its inability to staff the operational positions and simultaneously train on the new equipment. They could not achieve this even if the FAA used mandatory overtime at the facility. They also cannot release air traffic controllers to work on Metroplex procedures that would be implemented in the Atlanta area, allowing for more efficient flight routes.

- **Disruptive Furloughs:** While the staffing problem has been created gradually, the April 2013 furloughs provide a concrete example of what happens when the system is understaffed by ten percent, the amount of FAA employees that were furloughed during that week. In April 2013, sequestration forced the FAA to furlough every employee, including air traffic controllers. This led to massive delays. As mentioned earlier, during the week of April 21-27, 2013 delays nearly tripled from 5,103 delays in the same week in 2012 to 13,694 delays. It should be emphasized that furloughing a mere ten percent of FAA employees caused three times the number of delays, and that was with optimal weather conditions.

**3. Hiring and Training Challenges:** As explained above, air traffic controllers and other aviation safety specialists are the backbone of the NAS. These men and women require training over the course of two to four years before being fully certified, so replacing retiring controllers is a process that takes time and additional staffing to accomplish.

- **Hiring Freeze:** Sequestration forced the FAA to cut its Operations budget, which resulted in furloughs for all FAA employees. Those cuts also led the FAA to institute a hiring freeze between March 2013 and December 2013. This hiring freeze compounded an already tenuous staffing situation in which the FAA is barely able to replace retiring controllers with new trainees. New hires who were admitted into the Academy again beginning in January 2014 require between two to four years of training to become fully trained and capable of separating traffic independently. They must be trained by current air traffic controllers, taking those controllers away from their primary job of separating traffic. Thus, facilities that are already at critical staffing levels (defined as requiring overtime and six-day weeks to fully staff all positions) are facing a dire situation as some of the over 2,500 controllers eligible to retire begin retiring, and those left on the job begin the intensive process of training Academy graduates.
- **Placement:** Once new hires graduate from the FAA Academy, another challenge comes in the form of the FAA's flawed and inefficient placement and transfer process of employees. Many facilities are in desperate need of qualified transfers, and many employees want to transfer to higher-level facilities that need additional staffing. Transferring these employees from low and mid-level air traffic facilities to higher-level facilities would put them in a position to succeed, thereby opening positions at the lower and mid-level facilities for air traffic control trainees from the Academy to fully certify. Instead, air traffic control trainees from the Academy have been placed at higher-level facilities, which typically have a higher attrition rate than the nationwide average of 25 percent for trainees. This works against the FAA's efforts to efficiently hire and train new controllers.

It is imperative that the FAA move forward with its plan to direct hire experienced military, DOD, and civilian controllers outside of the single source announcement that it is currently using. This would allow experienced controllers to be directly placed in facilities bypassing the Academy and reducing the training time by as much as 3-4 months, depending on where they are placed after hiring. As many of these already-experienced developmentals would be placed at lower to mid-level facilities, this would allow experienced controllers from these facilities to move up to more complex facilities and provide some relief to critically staffed air traffic facilities.

**4. Delays in Modernizing the NAS (both physical infrastructure and technology):** Shutting down the federal government forced important work on modernization projects to stop, inevitably leading to an increase in delays to the implementation of new technology and procedures. As described above, inadequate resources in the form of time and staff has compounded the problem. Below are several key modernization projects that had already been delayed due to the April 2013 furloughs and sequestration cuts.

- **En Route Automation Modernization (ERAM):** Initially scheduled to fully replace the old system in August 2014, the replacement for the decades-old En Route Host computer and backup system used at 20 FAA Air Route Traffic Control Centers nationwide was pushed back to March 2015 due to the April furloughs, a delay that cost more than \$42 million. During the economic uncertainty of 2013, the FAA had to postpone software tests, operational tests, and controller training to save money. New York Center and Washington Center were forced to retrain their entire workforce, delaying operations by months. This in turn delayed the discovery of issues requiring software engineering to resolve and prevented the facilities from continuing ERAM operations. Any further delay could threaten the completion date of March 2015 and add significant additional cost.
- **Terminal Automation Modernization and Replacement (TAMR):** Modernizing radar systems at the nation's major airports, as well as every TRACON in the nation – some of which are nearly 50 years old – is absolutely necessary if the FAA is to successfully deploy NextGen technologies. Nearly all of the nation's 253 terminal facilities will be impacted by TAMR. TAMR's mission is to combine and upgrade multiple air traffic control technologies to a single, state-of-the-art platform called the Standard Terminal Automation Replacement System (STARS). STARS will maintain the safety and increase the efficiency of the NAS. Sequestration cuts and the 2013 government shutdown caused a ripple effect for testing and deployment, creating delays. However, the TAMR program continues to hit major milestones and achieve Acquisition Program Baseline (APB) dates. TAMR is now in full deployment and technical refresh mode in all three phases, having successfully installed STARS at Dallas, Boise, Kalamazoo, Allentown, Austin, and most recently Billings and Denver. Technical refresh upgrades are completed or under way at Philadelphia, Miami, Seattle, Tampa, Orlando and Salt Lake City. NATCA subject matter experts (SMEs) are working in all areas of the TAMR program and finding solutions to problems that have plagued modernization efforts in the past. Currently, installation of equipment and modernization projects are underway in TRACON facilities across the country including: Northern California, Southern California, New York, Atlanta, Denver, Chicago, Louisville, St. Louis, Minneapolis, Potomac, Fort Myers, Harrisburg, Tampa, Seattle, Salt Lake, and Orlando. The FAA and NATCA have been working diligently to keep TAMR and STARS more or less on target despite funding challenges. Staying the course and finishing this project is absolutely necessary to facilitate many NextGen programs.
- **Optimization of Airspace & Procedures in the Metroplex (OAPM):** Also known as Metroplex, this project works to increase the efficiency of airspace by improving procedures. These changes will provide economic benefits for airlines, as well as fuel savings that are beneficial for the environment. We know from the FAA's initial testing at the Washington, D.C. location, for example, that annual fuel savings are exceeding estimates. According to the FAA, savings total as much as \$19 million each year and result in a reduction of 75,000 metric tons of carbon. The April 2013 furloughs due to sequestration and the subsequent October shutdown significantly slowed the progress that was being made at nine test sites across the country resulting in a lost opportunity for efficiency and sustainable economic benefits for end users such as airlines.
  - The Southern California test site was due to begin final implementation of procedure changes in December 2015. Now, as a result of the April 2013 furloughs, implementation will be

delayed until March 2017. Part of the reason for the delay is that although the April furlough was only one week, it took another three months to reassemble the team. According to the FAA, those delays prevented estimated savings of \$10-16 million a year in fuel, and 34,000-78,000 metric tons of carbon.

- The Houston test site was due to begin final implementation in December 2013. That was delayed until May 2014 due to the April furloughs. Again, the shutdown further delayed progress. FAA has estimated that Houston's savings will be \$9.2-\$26 million dollars in fuel savings each year. They did finally implement in May 2014, and are currently working through a post-implementation analysis. Once that analysis is completed, we will know how much in actual savings they are experiencing (compared to the projected \$9-26 million estimate).
- North Texas was implemented in September 2014. The furloughs and shutdown delayed the implementation by a matter of months. Phoenix will begin design and implementation in November 2014. At this time it has experienced slightly less than a year of a delay due to sequestration cuts.

**5. Continued Cuts to Federal Employee Pensions and Benefits:** Recently, Congress had to trim the budget, and one of the first places they look is federal employee pension and benefits. Many air traffic controllers are considering retiring when they are eligible and earlier than planned in order to lock in their benefits and avoid additional costs. This compounds the challenge of fully staffing the system with certified controllers, especially when considering the lengthy training period required for an air traffic control trainee to reach certification as a CPC. We have repeatedly seen a variety of bills introduced that attempt to limit the pay and benefits of federal employees. With a significant segment of our workforce eligible to retire, the length in which it takes to certify new hires, and the staffing shortages in many of our facilities, we are concerned that harmful legislation will drive many to retire, exacerbating the already concerning staffing situation.

**6. Potential Tower Closures:** When sequestration cuts were initially announced, the FAA was prepared to close towers. In fact, the FAA released a list of FAA towers that were under consideration for closure. Ultimately tower closures were avoided, but they could become a necessity at any point. Many of the towers that could be targeted for closure in the future service low volume areas and rural communities that otherwise would not have commercial aviation services. In addition, service could become unavailable for general aviation, military exercises and flight schools at these airports. These closures could also mean a reduction in services for airlines, commercial interests and private pilots who rely on towers at smaller airports and for secondary services like pilot training.

**7. Potential Loss of Contract Towers:** Another eventual consequence of continued sequestration cuts could be the more than 100 Federal Contract Towers (FCT) throughout the country. Last February, the FAA released a list of towers that could be closed. As with the FAA towers on the list, none were actually closed at that time, but the potential remains. The closure of FCTs has far-reaching consequences because it will affect general aviation and the rural communities that depend on the services provided. Even temporary closures would result in significant impacts. Workloads would increase dramatically for the FAA facilities that would have to take over the services of the FCTs just as those facilities will be facing reduced staffing due to sequestration cuts resulting in furloughs. These developments would have a significant negative impact on the safety and efficiency of the system nationwide.

Contract towers also provide crucial support to our nation's military and private enterprises. The tower at Lone Star Executive Airport in Texas is home of one of only two Apache helicopter maintenance units in the country. In Kinston, North Carolina, the airport handles traffic from many companies, as well as the

Air Force, Marine, Coast Guard and Forest Service aircraft. It also has an 11,500 foot runway that can be used by the Presidential Fleet, including Air Force One. And Kissimmee Airport near Walt Disney World has grown from 58,000 operations in 1997 to 128,000 annually.

**8. Economic Impact:** Indiscriminate cuts that continue for the next eight years will ultimately result in fewer flights and increased delays, creating a ripple effect that will hurt airlines, pilots and flight crews, private aviators, airport employees, passengers and the many businesses, large and small, that depend on a vibrant aviation sector to survive and thrive. Airlines and air freight companies, which already are struggling to be profitable, will suffer more. The U.S. economy is anchored by aviation - it drives nearly 12 million jobs that contribute \$1.5 trillion to the gross domestic product. Two million passengers fly on 70,000 flights every single day. Corporations that depend on air services to transport their goods will undoubtedly suffer as well. The negative effects on the aviation system due to sequestration could become permanent, or be difficult if not impossible, to reverse once they have taken effect. This applies particularly to tower closures, as a closed tower cannot easily be re-staffed and reopened. As sequestration cuts and other reductions in federal spending continue beyond FY 2015, the implications of the cuts will result in a NAS that looks and performs very differently from the safe and efficient model that exists today.

### *Conclusion*

The NAS and the FAA workforce are in a transition period. The FAA is working to implement NextGen modernization projects that will deploy new technology and equipment. In order to keep pace with these modernization projects and the rest of the world, the FAA needs to be properly funded and staffed, which can only happen with stable and predictable funding. We all have a stake in this economic engine, which contributes \$1.5 trillion annually to our GDP and employs 12 million Americans. Congress, the FAA, and industry will need to work together to ensure that our NAS remains the safest and most efficient airspace in the world.