



## Public Private Partnership (PPP) – Case Study

<http://www.icao.int/sustainability/Pages/im-ppp.aspx>

*Infrastructure Management Programme  
Economic Development of Air Transport*

**Region:** North America

**State:** United States

**NextGen General Aviation (GA) Fund**

### General

---

NextGen is a new National Airspace System (NAS), aimed at gradually replacing the existing United States' air traffic control system between 2012 and 2025, from a ground based radar system to a satellite-based one. The Global Navigation Satellite System (GNSS) operates using Global Positioning System (GPS) which comprises three cornerstones:

- Automatic Dependent Surveillance - Broadcast (ADS-B): enables both pilots and controllers to see the same real-time displays of air traffic;
- NextGen Data Communications (Data Comm): these technologies will allow for the exchanges of routine controller pilot messages and clearances via digital data transmission;
- System Wide Information Management (SWIM): offers services to better facilitate information sharing between actors.

The Federal Aviation Administration (FAA) Satellite Navigation Team provides satellite based positioning, navigation, and timing (PNT) services in the United States in order to conduct performance-based (RNP/RNAV) operations for all phases of flight: en-route, terminal, approach, and surface navigation.

The FAA's plan to provide PNT services requires implementation of two GPS augmentation systems: the Wide Area Augmentation System (WAAS) and the Ground Based Augmentation System (GBAS). Combined these systems are to improve the availability and accuracy needed to support continuous all-weather use of GPS as a primary means of navigation and automated dependent surveillance (ADS-B) within the NAS.

### Financing through Public Private Partnership (PPP): the NextGen General Aviation (GA) Fund

The NextGen GA Fund was created in order to modernize the US general aviation fleet, to facilitate adequate avionics funding and to accelerate the rollout of the US NextGen program. This fund is a **public-private partnership** fund formed between the U.S. Congress, the aerospace industry and the private-sector investment community. It was set up by NEXA Capital Partners LLC, which provides specialized transaction-focused services including business advisory, capital planning, corporate finance and investment banking for the aerospace sector.



## Public Private Partnership (PPP) – Case Study

<http://www.icao.int/sustainability/Pages/im-ppp.aspx>

*Infrastructure Management Programme  
Economic Development of Air Transport*

Its direct investments enable the use of low-interest commercial loans that will be backed by US government loan guarantees. The interest rate varies depending on the creditworthiness of the applicant and is tied to a 10-year T-bill.

The NextGen GA Fund will initially bring approximately USD 550 million as a capital base, eventually supporting some USD 1.3 billion in recurring financings to the general aviation sector during the next 10 years.

The funds available may be used for a variety of NextGen-related avionics upgrades, with a minimum amount of USD 10,000 and no maximum. These upgrades include WAAS GPS, transponders, ADS-B out and in, RNP/RNAV, Future Air Navigation System/Controller Pilot Data Link Communication (FANS/CPDLC), Data Comm, glass displays, antennas and the installation of these items.

Any owner or operator of a US-registered aircraft can apply for a loan, including large fleet operators that might want to spread out their costs.

— END —