



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

May 7, 2002

**S. 2039**

**National Aviation Capacity Expansion Act of 2002**

*As ordered reported by the Senate Committee on Commerce, Science, and Transportation  
on April 18, 2002*

S. 2039 would direct the Administrator of the Federal Aviation Administration (FAA) to assist in redesigning and reconstructing Chicago O'Hare International Airport in Cook and Dupage Counties, Illinois, in accordance with a specified runway design plan. FAA also would be directed to assist in developing a south suburban airport in the Chicago metropolitan region. The bill would require an implementation plan to be prepared by the state of Illinois under the Clean Air Act for regulating emissions associated with activities at commercial service airports.

CBO estimates that S. 2039 would have no significant impact on federal spending. The bill could affect which projects the FAA chooses to support, but based on information from the agency, CBO estimates that S. 2039 would have no net effect on total spending for such projects. Because S. 2039 would not affect direct spending or receipts, pay-as-you-go-procedures would not apply.

The bill would preempt the state of Illinois' authority to regulate certain activities of the owners of O'Hare airport. Specifically, the bill would preempt the state's authority to control or regulate the owner of O'Hare airport as it applies for federal grant funds to pay for the airport expansion. In addition, the bill would limit the state's authority to impose regulations on aviation safety with respect to the development of a runway redesign plan for O'Hare. These preemptions would be intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA).

In implementing the runway redesign plan at O'Hare, the city of Chicago would have to take steps to mitigate noise in residential units and schools around the airport. The city also would be prohibited from using the Clean Air Act to interfere with runway construction at O'Hare or development of another airport south of Chicago. These requirements also would be intergovernmental mandates as defined in UMRA.

Based on information from FAA and the city of Chicago, CBO estimates that the preemptions of state authority and the requirements placed on the city would not impose significant costs. Thus, the costs of the bill's mandates would not exceed the threshold established by UMRA (\$58 million in 2002, adjusted annually for inflation). The bill contains no new private-sector mandates as defined in UMRA.

The CBO staff contacts for this estimate are Mark Hadley (for federal costs), and Susan Sieg Tompkins (for the state and local impact). This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.