



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

January 28, 1999

H.R. 99

A bill to amend Title 49, United States Code, to extend Federal Aviation Administration programs through September 30, 1999, and for other purposes

*As ordered reported by the House Committee on Transportation and Infrastructure
on January 7, 1999*

SUMMARY

H.R. 99 would authorize funding for certain programs conducted by the Federal Aviation Administration (FAA) through September 30, 1999. This bill would authorize the appropriation of \$7,763 million in 1999 for FAA operations, facilities, and equipment. To date, \$7,563 million has been appropriated this year for those programs. CBO estimates that if the additional \$200 million is appropriated, outlays for FAA operations, facilities, and equipment would increase by \$82 million in 1999 and by \$200 million over the 1999-2002 period.

H.R. 99 also would provide an additional \$1,205 million of contract authority to the airport improvement program (AIP); therefore, pay-as-you-go procedures would apply to the bill. However, providing this contract authority would have no impact on outlays from direct spending because the baseline assumes such funding and because AIP outlays are subject to appropriation action.

H.R. 99 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 99 is shown in the following table. The costs of this legislation fall within budget function 400 (transportation).

	By Fiscal Year, in Millions of Dollars					
	1999	2000	2001	2002	2003	2004

SPENDING SUBJECT TO APPROPRIATION

Spending Under Current Law						
Budget Authority ^a	7,563	0	0	0	0	0
Estimated Outlays	5,535	1,448	400	180	0	0
Proposed Changes						
Authorization Level	200	0	0	0	0	0
Estimated Outlays	82	66	32	20	0	0
Total Spending Under H.R. 99						
Authorization Level	7,763	0	0	0	0	0
Estimated Outlays	5,617	1,514	432	200	0	0

DIRECT SPENDING

Baseline Spending Under Current Law						
Estimated Budget Authority ^b	2,410	2,410	2,410	2,410	2,410	2,410
Proposed Changes						
Estimated Budget Authority	0	0	0	0	0	0
Total Spending Under H.R. 99						
Estimated Budget Authority	2,410	2,410	2,410	2,410	2,410	2,410

a. The 1999 level is the amount appropriated for that year.

b. Budget authority for AIP is provided as contract authority, a mandatory form of budget authority; however, outlays from AIP contract authority are subject to obligation limitations contained in appropriation acts and are therefore discretionary. CBO's December 1998 baseline assumes a full year of budget authority will be provided for AIP for fiscal year 1999 and for subsequent years. The full-year total is double the half-year amount of \$1,205 million provided thus far for 1999.

BASIS OF ESTIMATE

For purposes of this estimate, CBO assumes that H.R. 99 will be enacted by March 31, 1999, and that the full amounts authorized for FAA operations, facilities, and equipment will be appropriated by June 1, 1999.

Spending Subject to Appropriation

H.R. 99 would authorize the appropriation of \$5,632 million for FAA operations in fiscal year 1999. The Omnibus Consolidated and Emergency Supplemental Appropriations Act for fiscal year 1999 (Public Law 105-277) provided \$5,563 million in budget authority for FAA operations. Thus, this bill would authorize the appropriation of an additional \$69 million for operations in fiscal year 1999.

H.R. 99 also would authorize appropriations of \$2,131 million for air navigation facilities and equipment in fiscal year 1999. Public Law 105-277 provided \$2,000 million in budget authority for FAA facilities and equipment. Thus, this bill would authorize an additional \$131 million for fiscal year 1999 for facilities and equipment.

CBO's estimate of outlays assumes that the additional funding for operations would be disbursed at the normal rate for that account (88 percent in 1999), but that the funds for facilities and equipment would be spent mostly in 2000 and 2001.

Direct Spending

H.R. 99 would provide \$1,205 million in contract authority (a mandatory form of budget authority) for the airport improvement program for the second half of fiscal year 1999; it also would extend the authority of the Secretary of Transportation to incur obligations to make grants under that program.

Under current law, \$1,205 million in AIP contract authority is available for obligation until March 31, 1999. H.R. 99 would provide an additional \$1,205 million in contract authority, which could be obligated during the second half of the fiscal year (until September 30, 1999). Pursuant to the Budget Enforcement Act, baseline projections assume that a full year of contract authority will be provided for AIP in fiscal year 1999 and subsequent years. Therefore, enacting H.R. 99 would have no net impact on AIP contract authority relative to the baseline. Expenditures from AIP contract authority are governed by obligation limitations contained in appropriation acts, and thus, they are categorized as discretionary outlays. Enacting H.R. 99 would not affect obligation limitations and thus would have no direct effect on AIP outlays.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. H.R. 99 would provide an additional \$1,205 million in contract authority for AIP in fiscal year 1999. Since contract authority is a mandatory form of budget authority, it is a form of direct spending and pay-as-you-go procedures apply to the bill. Only changes in outlays from direct spending and changes in receipts have pay-as-you-go effects, and this bill would not affect either of those.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 99 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

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