



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

July 2, 2007

**H.R. 2698
Federal Aviation Research and Development
Reauthorization Act of 2007**

*As ordered reported by the House Committee on Science and Technology
on June 22, 2007*

SUMMARY

H.R. 2698 would authorize funding for research related to aviation. CBO estimates that implementing the bill would cost about \$200 million in 2008 and \$1.9 billion over the 2008-2012 period, assuming appropriation of amounts specified and estimated to be necessary. Enacting H.R. 2698 would not affect direct spending or revenues.

H.R. 2698 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA); the bill would benefit institutions of higher education.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R.2698 is shown in the following table. The costs of this legislation fall within budget function 400 (transportation).

	By Fiscal Year, in Millions of Dollars					
	2007	2008	2009	2010	2011	2012
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law						
Budget Authority / Authorization Level ^a	180	50	50	50	0	0
Estimated Outlays	115	85	72	65	18	0
Proposed Changes						
Estimated Authorization Level	0	356	505	505	582	0
Estimated Outlays	0	201	401	487	559	244
Spending Under H.R. 2698						
Estimated Authorization Level	180	406	555	555	582	0
Estimated Outlays	115	286	473	552	577	244

a. The 2007 level is the amount appropriated for that year for research activities of the Federal Aviation Administration and the Joint Planning and Development Office (JPDO). Amounts for 2008 through 2010 reflect amounts authorized to be appropriated in those years for JPDO.

BASIS OF ESTIMATE

H.R. 2698 would authorize appropriations totaling an estimated \$1.9 billion over the 2008-2012 period for federal programs related to aviation research. Based on historical spending patterns for existing and similar programs, CBO estimates that implementing the legislation would cost \$201 million in 2008 and about \$1.9 billion over the 2008-2012 period, assuming appropriation of the necessary amounts.

Most of the funds authorized to be appropriated under the bill—\$1.8 billion—would be used by the Federal Aviation Administration (FAA) for research, engineering, and development related to technologies to improve air traffic management. Under H.R. 2698, CBO estimates that those activities would cost \$184 million in 2008 and \$1.8 billion over the 2008-2012 period.

H.R. 2698 also would reauthorize, through 2011, appropriations totaling \$50 million a year for the Joint Planning and Development Office (JPDO), which was established in 2003 to work cooperatively with multiple federal agencies to modernize the nation’s air traffic control system. Current law authorizes appropriations for the JPDO of \$50 million a year for each of fiscal years 2008 through 2010; hence, this estimate does not include additional spending related to JPDO in those years. CBO estimates that additional funding for the office in 2011 would cost \$50 million over the 2011-2012 period.

Finally, H.R. 2698 would authorize appropriations totaling \$69 million over the 2008-2012 period for a variety of research programs. That amount includes \$54 million specifically authorized to study issues related to weather and climate change, runway and aviation technology, regulatory requirements, and other matters. CBO estimates that implementing the bill's provisions to direct the FAA and other agencies to complete various pilot projects, studies, and reports would require appropriations totaling \$15 million over the 2008-2011 period. CBO estimates that implementing those activities would cost \$17 million in 2008 and \$69 million over the 2008-2012 period.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 2698 contains no intergovernmental or private-sector mandates as defined in UMRA. The bill would benefit institutions of higher education by authorizing grants for aviation research. Any costs those entities would incur to comply with conditions of federal assistance would be incurred voluntarily.

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