



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

March 17, 2011

H.R. 1079 **Airport and Airway Extension Act of 2011**

*As ordered reported by the House Committee on Transportation and Infrastructure
on March 16, 2011*

H.R. 1079 would extend through May 31, 2011, the existing taxes that are dedicated to the Airport and Airway Trust Fund (AATF) as well as the Federal Aviation Administration's (FAA's) authority to expend amounts credited to that fund. In addition, the bill would provide nearly \$2.5 billion of contract authority (the authority to incur obligations in advance of appropriations, a mandatory form of budget authority) for the Airport Improvement Program (AIP) through May 2011—or \$3.7 billion on an annualized basis. (Outlays from AIP contract authority are controlled by limitations on obligations set in annual appropriation acts and are therefore considered discretionary.)

Previously, the Airport and Airway Extension Act of 2010, Part IV (Public Law 111-329) extended aviation-related taxes through March 31, 2011, and the FAA's authority to expend amounts in the AATF through April 1, 2011. That act also provided nearly \$1.9 billion of contract authority to AIP through March 31, 2011—or \$3.7 billion on an annualized basis.

Pursuant to rules that govern the calculation of CBO's baseline, certain expiring programs—such as taxes credited to the AATF and contract authority for AIP—are assumed to continue beyond the scheduled expiration date for budget projection purposes. H.R. 1079 would continue both aviation-related taxes and AIP contract authority at levels that are consistent with those projected in CBO's baseline for 2011. As a result, CBO and the Joint Committee on Taxation estimate that enacting the bill would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO has determined that the nontax provisions of H.R. 1079 contain no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contact for this estimate is Megan Carroll. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.