



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 13, 2016

H.R. 4549 **Treating Small Airports with Fairness Act of 2016**

As ordered reported by the House Committee on Homeland Security on March 23, 2016

SUMMARY

Under current law, the Transportation Security Administration (TSA) is required to screen passengers and property on scheduled commercial flights and some charter flights involving aircraft that meet certain capacity-related specifications. Broadly speaking, the agency oversees or conducts screening at most airports with commercial service; for all other airports, the agency uses a risk-based methodology for determining appropriate policies for security-related screening of passengers and cargo.

H.R. 4549 would require TSA to provide screening services at certain airports that lost or experienced a disruption in service by commercial airlines after January 1, 2013. Based on information from the agency, CBO estimates that implementing the bill would cost \$33 million over the 2017-2021 period, assuming appropriation of the necessary amounts.

Pay-as-you-go procedures do not apply because enacting H.R. 4549 would not affect direct spending or revenues. CBO estimates that enacting the bill would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

H.R. 4549 contains no intergovernmental or private-sector mandates 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 effect of H.R. 4549 is shown in the following table. The costs of this legislation fall within budget function 400 (transportation).

	By Fiscal Year, in Millions of Dollars					
	2017	2018	2019	2020	2021	2017- 2021
INCREASES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	8	5	6	7	8	34
Estimated Outlays	6	6	6	7	8	33

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 4549 will be enacted before the start of fiscal year 2017 and the estimated amounts will be appropriated each year.

At the request of the operator of an airport that lost commercial air service after January 1, 2013, H.R. 4549 would require TSA to provide screening services at that airport. According to the agency, 22 airports could become eligible for federal screening services under the bill, several of which have agreements with commercial airlines to resume service in the near future. TSA has denied requests from some of those airports to resume screening services in the recent past and CBO expects that under current law the agency is unlikely to provide screening services at such airports in the near future. As a result, CBO estimates that implementing H.R. 4549 would increase the cost of TSA's aviation security programs.

Based on information from TSA about average screening-related costs for airports with characteristics similar to those that would be affected by the bill, CBO estimates that increased spending for aviation-related screening would total \$6 million in 2017 and \$33 million over the 2017-2021 period. That amount includes roughly \$9 million in one-time costs to acquire and install screening-related equipment and \$24 million in ongoing personnel costs and other expenses. CBO expects that initially about one-third of the airports that would be eligible for screening services from TSA under the bill—particularly those with agreements from air carriers to resume commercial service—would apply for such services, with that number doubling by 2021.

CBO also estimates that implementing H.R. 4549 would not affect security-related fees collected by TSA to offset a portion of the agency's screening costs. Such fees are collected by air carriers from passengers when tickets for commercial flights are sold—whether or not TSA performs security screening—and would be unaffected by this legislation.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS

CBO estimates that enacting H.R. 4549 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 4549 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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