

S. 4162, AIR Act of 2020

As ordered reported by the Senate Committee on Commerce, Science, and Transportation on July 22, 2020

By Fiscal Year, Millions of Dollars	2020	2020-2025	2020-2030
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	0	not estimated	not estimated
Statutory pay-as-you-go procedures apply?	No	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2031?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

S. 4162 would temporarily modify the apportionment formula for Airport Improvement Program (AIP) grants, which provide funding to airport sponsors for capital improvement projects related to airport safety, capacity, and security. In general, under current law, each airport’s annual apportionment is based on the number of passengers at that facility during the previous calendar year. For 2022 and 2023, the bill would direct the Federal Aviation Administration (FAA) to calculate AIP apportionments based on the number of passengers at each airport in 2018, 2019, or the full calendar year prior to the current fiscal year, whichever would result in the highest amount.

The AIP receives annual contract authority (a mandatory form of budget authority) in transportation legislation, and the outlays of that budget authority are considered discretionary because they are controlled by obligation limitations contained in annual appropriations acts. S. 4162 would not provide additional contract authority for the AIP or authorize obligation limitations for the years affected by the bill. Therefore, CBO estimates that implementing the modified apportionment formula would not affect total AIP spending relative to CBO’s projections under current law, though we expect implementing the bill could change the funding allocation among airports.

In addition, S. 4162 would temporarily waive certain requirements for the FAA’s contract tower program, which supports air traffic control towers that are staffed by private contractors. The FAA covers all operating costs of those facilities unless a tower’s costs exceed its benefits (in those cases, the local tower sponsor is subject to cost sharing



requirements). Generally, the agency only conducts benefit-cost analyses at fully funded contract towers if the operations at those facilities drop by 25 percent in a single year or by 55 percent over a three-year period.

The bill would prohibit the FAA from conducting benefit-cost analyses on the basis of air traffic reductions in 2020 and 2021, thus temporarily exempting certain contract towers whose costs exceed their benefits from cost sharing requirements. Accordingly, the FAA would spend more on those towers under the bill than otherwise expected under current law. CBO has no basis, however, for estimating how many contract towers would be subject to benefit-cost analyses and cost sharing requirements in the absence of further legislation. In light of that uncertainty, CBO cannot estimate the cost of implementing the contract tower provisions in S. 4162.

The CBO staff contact for this estimate is Aaron Krupkin. The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.