

Calendar No. 589

116TH CONGRESS }
2d Session }

SENATE

{ REPORT
116-296 }

AIRPORT INFRASTRUCTURE READINESS ACT
OF 2020

R E P O R T

OF THE

COMMITTEE ON COMMERCE, SCIENCE, AND
TRANSPORTATION

ON

S. 4162



NOVEMBER 16, 2020.—Ordered to be printed

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SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ONE HUNDRED SIXTEENTH CONGRESS

SECOND SESSION

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Mr. WICKER, from the Committee on Commerce, Science, and
Transportation, submitted the following

R E P O R T

[To accompany S. 4162]

[Including cost estimate of the Congressional Budget Office]

The Committee on Commerce, Science, and Transportation, to which was referred the bill (S. 4162) to provide certainty for airport funding, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE OF THE BILL

S. 4162, the Airport Infrastructure Readiness Act of 2020 (or AIR Act of 2020), is intended to mitigate the negative impact of the decline in passenger airline travel on airports receiving grants from the Airport Improvement Program (AIP) and those with Federal contract towers.

BACKGROUND AND NEEDS

Beginning in February 2020, the global COVID-19 pandemic progressively brought air travel to a near standstill. Passenger airlines continue to be impacted by government-imposed travel restrictions, businesses eliminating or reducing nonessential travel, and an overall significant drop in demand. For example, in July 2020, passenger boardings had declined approximately 73 percent compared to July 2019.¹ As passenger traffic is used to calculate the amount of AIP entitlement funds that airports receive each

¹U.S. Department of Transportation, Bureau of Transportation Statistics, “U.S. Airline July 2020 Passengers Decrease 73% from July 2019 but Rise 30% from June 2020 (Preliminary),” Sep. 8, 2020 (<https://www.bts.gov/newsroom/us-airline-july-2020-passengers-decrease-73-july-2019-rise-30-june-2020-preliminary>) (accessed Oct. 22, 2020).

year, the recent downturn in traffic would have a negative impact on the amount of those funds.

This legislation would attempt to mitigate that impact by directing the Federal Aviation Administration (FAA), which administers AIP, to calculate entitlements for primary airports in fiscal years (FYs) 2022 and 2023 based on calendar year 2018 or 2019 passenger enplanements, whichever is higher. However, 2020 or 2021 calendar year enplanements may be used if an airport has higher enplanements in those years than in 2018 or 2019. This process would ensure that when the FAA calculates AIP entitlements, it uses pre-pandemic numbers rather than the significantly lower 2020 numbers, which will give primary airports more certainty as they plan for future infrastructure projects.

For many airports that do not have federally staffed towers, the FAA Contract Tower (FCT) Program provides a critical service. The FCT Program consists of 256 contract towers in 46 States, which are staffed by private air traffic controllers.² These towers are responsible for roughly 28 percent of the Nation’s air traffic control operations.³ The FAA requires that a benefit-cost analysis (BCA) be conducted for airports in the FCT Program, if year-on-year air service at the airport decreases by 25 percent or greater.⁴ The BCA assists the FAA in making determinations regarding the continuation of towers, and the share of the tower’s costs that an airport may pay. However, given the impact of the COVID–19 pandemic, many of these towers’ operations have significantly declined, which would likely have a negative impact on the towers’ BCA. In response, this legislation would waive the BCA for contract tower airports in FYs 2020 and 2021. S. 4162 is intended to provide certainty to airports regarding Federal support for their contract towers for FYs 2020 and 2021.

LEGISLATIVE HISTORY

S. 4162, the Airport Infrastructure Readiness Act of 2020, was introduced on July 2, 2020, by Senator Fischer (for herself and Senators Sinema, Cruz, and Duckworth) and was referred to the Committee on Commerce, Science, and Transportation of the Senate. Senators Blackburn, Cornyn, Perdue, and Cramer were later added as cosponsors. On July 22, 2020, the Committee met in open Executive Session and, by voice vote, ordered S. 4162 reported favorably without amendment.

ESTIMATED COSTS

In accordance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate and section 403 of the Congressional Budget Act of 1974, the Committee provides the following cost estimate, prepared by the Congressional Budget Office:

² Federal Aviation Administration, “FAA Contract Tower Program: About the FAA Contract Tower Program” (https://www.faa.gov/about/office_org/headquarters_offices/ato/service_units/mision_support/faa_contract_tower_program/) (accessed Oct. 22, 2020).

³ Ibid.

⁴ Ibid.

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 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 Aaron Krupkin. The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

REGULATORY IMPACT STATEMENT

Because S. 4162 does not create any new programs, the legislation will have no additional regulatory impact, and will result in no additional reporting requirements. The legislation will have no further effect on the number or types of individuals and businesses regulated, the economic impact of such regulation, the personal privacy of affected individuals, or the paperwork required from such individuals and businesses.

CONGRESSIONALLY DIRECTED SPENDING

In compliance with paragraph 4(b) of rule XLIV of the Standing Rules of the Senate, the Committee provides that no provisions contained in the bill, as reported, meet the definition of congressionally directed spending items under the rule.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title

This section would provide that the bill may be cited as the “Airport Infrastructure Readiness Act of 2020” or the “AIR Act of 2020”.

Section 2. Airport improvement program apportionments to primary airports

This section would require the FAA to calculate AIP entitlements for primary airports in FYs 2022 and 2023 based on calendar year 2018 or 2019 enplanements, whichever is higher. It would allow 2020 or 2021 calendar year enplanements to be used if an airport has higher enplanements those years than in 2018 or 2019.

Section 3. Air traffic control contract program

This section would prohibit the Secretary of Transportation from conducting a benefit-cost analysis for airports in the contract tower program in FYs 2020 and 2021.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new material is printed in italic, existing law in which no change is proposed is shown in roman):

UNITED STATES CODE

* * * * *

TITLE 49—TRANSPORTATION

* * * * *

Subtitle VII—Aviation Programs

* * * * *

PART B—AIRPORT DEVELOPMENT AND NOISE

* * * * *

CHAPTER 471—AIRPORT DEVELOPMENT

* * * * *

Subchapter I—Airport Improvement

* * * * *

§ 47114. Apportionments

(a) * * *

(b) * * *

(c) AMOUNTS APPORTIONED TO SPONSORS.—

(1) PRIMARY AIRPORTS.—

(A) * * *

* * * * *

(J) SPECIAL RULE FOR FISCAL YEARS 2022 AND 2023.— Notwithstanding subparagraph (A) and the absence of scheduled passenger aircraft service at an airport, the Secretary shall apportion in fiscal years 2022 and 2023 to the sponsor of the airport an amount based on the number of passenger boardings at the airport during whichever of the following years that would result in the highest apportioned amount:

(i) Calendar year 2018.

(ii) Calendar year 2019.

(iii) The prior full calendar year prior to the current fiscal year.

(2) * * *

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