# CONGRESSIONAL BUDGET OFFICE
# COST ESTIMATE

September 8, 2009

## H.R. 3371
## Airline Safety and Pilot Training Improvement Act of 2009

*As ordered reported by the House Committee on Transportation and Infrastructure on July 30, 2009*

### SUMMARY


H.R. 3371 would establish several new procedural requirements and policies related to aviation safety. Assuming appropriation of the necessary funds, CBO estimates that implementing the bill would cost $15 million over the 2010-2014 period. Enacting the bill would not affect direct spending but could result in additional revenues from civil penalties and regulatory fees. CBO estimates, however, that any such amounts would be negligible.

H.R. 3371 contains intergovernmental and private-sector mandates, as defined in the Unfunded Mandates Reform Act (UMRA), because it would impose new requirements on certain public and private entities that employ pilots. CBO estimates that the aggregate cost of intergovernmental mandates in the bill would fall below the annual threshold established in UMRA ($69 million in 2009, adjusted annually for inflation). In addition, the bill would impose private-sector mandates on certain commercial air carriers and sellers of air carrier tickets. Because the cost of complying with some of those mandates would depend on future regulations, CBO cannot determine whether the aggregate cost to comply with the private-sector mandates in the bill would exceed the annual threshold established in UMRA ($139 million in 2009, adjusted annually for inflation).


### ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 3371 is shown in the following table. The costs of this legislation fall within budget function 400 (transportation).

| | By Fiscal Year, in Millions of Dollars | | | | | |
|---|---|---|---|---|---|---|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2010-2014 |
| **CHANGES IN SPENDING SUBJECT TO APPROPRIATION** | | | | | | |
| Estimated Authorization Level | 5 | 5 | 5 | 0 | 0 | 15 |
| Estimated Outlays | 3 | 5 | 5 | 2 | 0 | 15 |

## BASIS OF ESTIMATE

H.R. 3371 would establish new safety-related regulatory requirements for the Federal Aviation Administration (FAA) and other federal agencies. Many of the bill's provisions would require various studies, reports, and rulemakings related to training of aircraft pilots and crew members, safety inspectors, and the FAA's oversight of air carriers.

Based on information from the FAA and historical costs for similar activities, CBO estimates that implementing those requirements would require appropriations totaling $15 million over the next three years. Most of that amount would be used to develop a new database of pilot records that air carriers could access for purposes of evaluating pilot applicants. Other amounts would be used to establish and operate various task forces and to complete other activities required under the bill.

Enacting H.R. 3371 also could result in additional revenues from civil penalties assessed for violations of new requirements that the bill would impose on air carriers. CBO expects that very few violations would occur, however, and that any increases in revenue under H.R. 3371 would be negligible.

## INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 3371 contains intergovernmental and private-sector mandates, as defined in UMRA, because it would impose new requirements on certain public and private entities that employ pilots. CBO estimates that the aggregate cost of intergovernmental mandates in the bill would fall below the annual threshold established in UMRA ($69 million in 2009, adjusted annually for inflation). In addition, the bill would impose private-sector mandates on certain commercial air carriers and sellers of air carrier tickets. Because the cost of complying with some of those mandates would depend on future regulations, CBO cannot determine whether the aggregate cost to comply with the private-sector mandates in the bill would exceed the annual threshold established in UMRA ($139 million in 2009, adjusted annually for inflation).

**Mandates That Apply to Both Public and Private Entities**

**Pilot History Reporting Requirements.** Section 6 would require certain public and private entities that employ pilots to submit to the FAA the flight history of each pilot that it employs. According to industry sources, air carriers currently keep flight histories in a database used by the air carrier industry. Because that information could easily be transmitted to the FAA, the cost of the mandate for air carriers would be minimal.

The section also would require air carriers, before hiring a pilot, to access and evaluate information pertaining to the pilot from the Pilot Records Database maintained by the FAA. The FAA would be authorized to establish a reasonable charge for the cost of processing a request from the air carriers. Because air carriers already evaluate similar information pertaining to pilots they hire, CBO expects that the incremental cost of complying with this mandate would be minimal. Due to the relatively small number of pilots employed by public entities, CBO expects the costs for state and local governments to be small.

**Flight and Duty Time Limitations.** Section 16 could impose limitations on the number of hours that pilots can fly or be on duty. According to the FAA, such limitations are already in place, and any further limitations would be incremental in nature. Therefore, the cost to air carriers would be small relative to the annual threshold. Because of the relatively small number of public aircraft affected, CBO estimates the cost to state and local governments would be minimal.

**Mandates That Apply to Private Entities Only**

**Air Carriers.** The bill would require commercial air carriers to:

- Further train their pilots on handling aircraft stalls and responding to emergency conditions;

- Only hire pilots that hold an Airline Transport Pilot License, which, among other things, requires a minimum of 1,500 hours of flight hours and have appropriate training in multi-engine aircraft;

- Establish a senior mentoring program whereby experienced pilots would mentor junior pilots;

- Form professional development committees, modify training programs to accommodate new-hire pilots with different levels and types of flight experience, and provide leadership and command training for pilots;

- Conduct comprehensive pre-employment screening of prospective pilots that would include an assessment of a pilot's skills, aptitudes, airmanship, and suitability for functioning in the airline's operational environment;

- Develop a Safety Management System under the standards established by the FAA; and

- Create a fatigue risk management plan to proactively mitigate fatigue, update the plan every two years, and submit it to the FAA for review and approval.

In addition, the bill would direct the National Academy of Sciences to conduct a study on the impact of commuting on pilot fatigue and following receipt of the report, the FAA would be required to update, as appropriate, its flight and duty time regulations. Those updated regulations could impose a mandate on air carriers.

Many air carriers currently have in place programs that may comply with several of the mandates in the bill. However, the incremental cost of the mandates would depend on regulations yet to be established by the FAA. Thus, CBO cannot determine whether the total cost of complying with the mandates on air carriers would exceed the annual threshold for private-sector mandates in any of the first five years the mandates are in effect.

**Sellers of Air Carrier Tickets.** Section 15 would require any seller of air carrier tickets to disclose to customers the air carrier that operates each segment of the flight prior to the sale of each ticket. The section also would require Internet Web sites that sell air carrier tickets to disclose the air carrier that operates each segment of the flight on the first display of the website following a search of a requested itinerary. Based on information from industry sources, CBO expects that the cost of complying with those mandates would be minimal.

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