



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

September 1, 2000

**S. 2440**

**Airport Security Improvement Act of 2000**

*As reported by the Senate Committee on Commerce, Science, and Transportation  
on August 25, 2000*

**SUMMARY**

S. 2440 would require the Federal Aviation Administration (FAA) to revise certain airport security policies and procedures. These policies would direct airports and air carriers to implement a number of security measures, including Federal Bureau of Investigation (FBI) electronic fingerprint checks before filling certain jobs, better training for security screeners, and more random security checks of passengers. S. 2440 also would require the FAA to expand and accelerate the current effort to improve security at air traffic control facilities.

CBO estimates that implementing S. 2440 would cost \$155 million over the 2001-2005 period, assuming appropriation of the necessary amounts. That amount represents the difference between estimated spending under FAA's current plan for security improvements and spending for such improvements under the bill. Because S. 2440 would affect direct spending, pay-as-you-go procedures would apply, but CBO estimates the net impact on direct spending would be negligible.

S. 2440 contains an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA) because it would require airport operators to improve airport security. CBO estimates that the new requirements would impose no significant costs on state, local, or tribal governments, including public airport authorities.

S. 2440 would impose private-sector mandates, as defined by UMRA, on air carriers and security screening companies. CBO expects that total costs of those mandates would not exceed the annual threshold established by UMRA for private-sector mandates (\$109 million in 2000, adjusted for inflation).

## ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 2440 is shown in the following table. The costs of this legislation fall within budget function 400 (transportation).

	By Fiscal Year, in Millions of Dollars					
	2000	2001	2002	2003	2004	2005
<b>SPENDING ON SECURITY IMPROVEMENTS TO AIR TRAFFIC CONTROL FACILITIES SUBJECT TO APPROPRIATION</b>						
Spending Under Current Plan						
Estimated Authorization Level	12	19	20	23	25	25
Estimated Outlays	6	20	20	22	24	25
Proposed Changes						
Estimated Authorization Level	0	61	70	67	-25	-25
Estimated Outlays	0	46	68	68	-2	-25
Spending Under S. 2440						
Estimated Authorization Level	12	80	90	89	0	0
Estimated Outlays	6	66	88	90	22	0

## BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 2440 will be enacted near the beginning of fiscal year 2001 and that the necessary amounts will be appropriated for each fiscal year. Estimated outlays are based on historical spending patterns.

S. 2440 would require the FAA to expand and accelerate its current plans to improve security at air traffic control facilities. Based on information from the FAA, implementing this provision of the bill would cost about \$155 million over the 2001-2005 period. This amount includes a spending increase of \$182 million during the 2001-2003 period and a \$27 million reduction in spending over the following two years, relative to current plans for security improvements.

Implementing S. 2440 would require airports and air carriers to increase the number of fingerprint checks on employees and potential hires that are conducted by the FBI with assistance from the Office of Personnel Management. Both of these agencies would receive payments from airport operators and air carriers (or their contractors), which would be recorded as offsetting receipts (a credit against direct spending). These payments could then

be spent without further appropriation action to conduct fingerprint checks on employees. Since the additional direct spending and offsetting receipts would be approximately equal, we estimate that the net impact on direct spending of this provision would be negligible.

## **PAY-AS-YOU-GO CONSIDERATIONS**

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. Implementing S. 2440 would affect direct spending, but CBO estimates that any such effects would be negligible.

## **ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS**

S. 2440 contains an intergovernmental mandate as defined in UMRA because it would require airport owners and operators to improve airport security. Based on information from the Airports Council International and the Air Transport Association, CBO estimates that the new requirements would impose no significant costs on state, local, or tribal governments, including airport authorities, because under existing contracts and agreements any additional costs would be borne by air carriers and other airport tenants

## **ESTIMATED IMPACT ON THE PRIVATE SECTOR**

S. 2440 would impose private-sector mandates, as defined by UMRA, on air carriers and security screening companies. Based on information from the FAA and industry representatives, CBO estimates that the costs of those mandates would not exceed the annual threshold established by UMRA for private-sector mandates (\$109 million in 2000, adjusted for inflation).

First, the bill would mandate new hiring procedures and training standards for airport security workers. Section 2 would require air carriers to conduct an FBI electronic fingerprint check on all applicants for certain positions related to airport security positions with unescorted access to sensitive areas, positions with responsibility for screening passengers or property (screeners), and screener supervisor positions. Because the FBI electronic fingerprint checks would make the current practice of employment investigations and subsequent audits of those investigations unnecessary, enacting this section could result in savings for air carriers. Section 3 would require additional hours of training for security screeners. In addition, the bill would require that computer training facilities be located near certain airports.

Second, the bill would accelerate the effective date of two sets of requirements that the FAA plans to implement in the next year. Section 3 would accelerate the FAA's current proposed rule on the Certification of Screening Companies. The rule is intended to improve aviation security by requiring companies and air carriers that provide security screening to be certified by the FAA. Section 4 would also accelerate a number of requirements on air carriers to improve security at access control points at airports. Most significantly, the section would require air carriers to develop and implement programs that foster and reward compliance with access control requirements. Because S. 2440 would accelerate implementation of those new mandates, air carriers and security screening companies would incur some compliance costs months earlier compared to current law.

Third, Section 6 would require the FAA to gradually increase the random selection factor in the Computer-Assisted Passenger Prescreening System (CAPPS) at airports where bulk explosive detection equipment is used. The selection factor controls the number of passengers randomly selected to have their baggage undergo enhanced security checks. If bulk explosive detection equipment is available, it is used for this enhanced security check. If it is not available, the passenger's baggage is placed on the airplane only after the air carrier has confirmed that the passenger is on board.

Because only about 5 percent of airports use the bulk explosive detection equipment, enacting Section 6 would, in theory, increase the number of bags that would be checked with the bulk explosive detection equipment in only a few airports. According to the FAA and industry representatives, however, a limitation in CAPPS would not allow an increase in the random factor in a subset of selected airports. All airports would be subject to the increased random factor. Thus, to comply with the mandate air carriers would have to either (1) reprogram their computer systems to selectively increase the random selection factor in airports that use bulk explosive detection equipment or (2) increase the number of bags undergoing enhanced security checks based on the factor whether or not an airport uses such equipment. In either case, air carriers would incur the incremental cost of checking the additional bags at airports that use bulk explosive detection equipment.

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