



**Committee on Transportation and Infrastructure
U.S. House of Representatives**

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Washington, DC 20515

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**CBO: ATC PRIVATIZATION WILL CAUSE
DEFICIT TO BALLOON BY \$20.7 BILLION**

Oppose H.R. 2997, the 21st Century AIRR Act

Dear Colleague:

According to the Congressional Budget Office (CBO), the controversial H.R. 2997, the “21st Century Aviation Innovation, Reform, and Reauthorization Act” (21st Century AIRR Act), which privatizes the Nation’s air traffic control (ATC) system, will increase the Federal budget deficit by \$20.7 billion over the next 10 years and billions more in subsequent decades.

CBO found that, over the next 10 years, H.R. 2997 increases mandatory spending (or direct spending) by \$90.7 billion and increases revenues by \$70 billion. As a result, the bill increases the deficit by \$20.7 billion over the next 10 years. It also further increases direct spending and the deficit by more than \$5 billion in one or more of the four subsequent decades (beginning in 2028).

The CBO cost estimate, issued on July 11, 2017, includes the following table (p. 16) that highlights the deficit impact of ATC privatization under the bill:

CBO Estimate of Pay-As-You-Go Effects for H.R. 2997, as ordered reported by the House Committee on Transportation and Infrastructure on June 27, 2017

	By Fiscal Year, in Millions of Dollars												2017-	2017-
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2022	2027	
NET INCREASE IN THE DEFICIT														
Statutory Pay-As-You-Go Impact	0	0	0	9	296	2,253	3,099	3,585	3,751	3,830	3,898	2,557	20,721	
Memorandum:														
Changes in Outlays	0	0	0	9	9,276	11,565	12,740	13,565	14,082	14,513	14,952	20,850	90,702	
Changes in Revenues	0	0	0	0	8,981	9,312	9,641	9,980	10,331	10,683	11,054	18,292	69,980	

Under H.R. 2997, the ATC system will be funded by user fees instead of the excise taxes that currently fund the system. Because user fees are essentially taxes, CBO specifically determined that the user fees should be classified as Federal revenues. Under H.R. 2997, the American Air Navigation Services Corporation, a privately-held monopoly controlled by special interests, has complete discretion to set revenue policy for use of the air traffic control system. Congress would have no control over the level of fees passed on to passengers and the amount of revenue collected. In addition to running up a large budget deficit, the 21st Century AIRR Act makes it possible, if not likely, that airline passengers could pay even more than they do today for air travel.

The 21st Century AIRR Act passed the Committee on Transportation and Infrastructure on June 27, 2017, by a final vote of 32-25, with bipartisan opposition from every Democrat and one Republican. [The CBO cost estimate can be found here.](#)

Giving a private corporation the power to tax the flying public and run the United States' ATC system will not solve any of the problems facing our aviation system. It is a solution in search of a thousand problems— including causing the deficit to balloon even further.

We urge you to oppose H.R. 2997, the 21st Century AIRR Act.

If you have any questions, please contact us or the Subcommittee on Aviation Democratic Staff (ext. 59161).

Sincerely,


PETER DeFAZIO
Ranking Member


RICK LARSEN
Ranking Member
Subcommittee on Aviation