



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

**Bill Shuster**  
Chairman

Washington, DC 20515

**Peter A. DeFazio**  
Ranking Member

Christopher P. Bertram, Staff Director

March 10, 2016

Katherine W. Dedrick, Democratic Staff Director

Dear Colleague:

According to the Congressional Budget Office (CBO), the controversial H.R. 4441, the “Aviation Investment, Reauthorization, and Reform Act” (AIRR Act), which privatizes the Nation’s air traffic control (ATC) system, will increase the Federal budget deficit by **\$20 billion over the next 10 years and billions more in subsequent decades.**

CBO found that, over the next 10 years, H.R. 4441 increases mandatory spending (or direct spending) by \$89.0 billion and increases revenues by \$69.2 billion. As a result, the bill increases the deficit by \$19.8 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 2027).

The CBO cost estimate, issued on March 9, 2016, 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. 4441, as ordered reported by the House Committee on Transportation and Infrastructure on February 11, 2016**

	By Fiscal Year, in Millions of Dollars												
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2016-2021	2016-2026
<b>NET INCREASE IN THE DEFICIT</b>													
Statutory Pay-As-You-Go Impact	0	0	0	10	226	2,180	3,008	3,473	3,634	3,628	3,689	2,416	19,848
<b>Memorandum:</b>													
Changes in Outlays	0	0	0	10	9,227	11,466	12,585	13,347	13,800	14,108	14,476	20,703	89,019
Changes in Revenues	0	0	0	0	9,001	9,286	9,577	9,874	10,166	10,480	10,787	18,287	69,171

Under H.R. 4441, 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. 4441, the ATC 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 onto passengers and the amount of revenue collected. In addition to running up a large budget deficit, the AIRR Act makes it possible, if not likely, that airline passengers could pay even more than they do today for air travel.

The AIRR Act passed the House Committee on Transportation and Infrastructure on February 11, 2016, by a final vote of 32-26, with bipartisan opposition from every Democrat and two Republicans. [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 one thousand problems - including causing the deficit to balloon even further.

**We urge you to oppose H.R. 4441, the 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