



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 8, 2008

H.R. 6493

Aviation Safety Enhancement Act of 2008

As passed by the House of Representatives on July 22, 2008

H.R. 6493 would establish the Whistleblower Investigation Office within the Federal Aviation Administration (FAA) to respond to concerns about the agency's safety programs, such as activities related to the inspection of aircraft. The legislation would prohibit the FAA from permitting certain supervisory inspectors to oversee the operations of a single air carrier for more than five years, prohibit air carriers from hiring or contracting with former FAA safety inspectors under certain circumstances, and impose other new requirements related to aviation safety.

Based on information from the FAA, CBO estimates that implementing H.R. 6493 would cost about \$2 million annually starting in 2009, subject to the availability of appropriated funds. That amount includes the cost of establishing and operating the proposed Whistleblower Investigation Office and ongoing increased costs to relocate the pool of roughly 30 supervisory inspectors who would be subject to the legislation's proposed limit on the length of time such individuals could oversee a single air carrier. Under the legislation, we assume that the agency would rotate those individuals over a five-year period, relocating roughly six inspectors per year. H.R. 6493 would not affect direct spending or revenues.

H.R. 6493 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

H.R. 6493 would impose a private-sector mandate, as defined in UMRA, by prohibiting air carriers from hiring or contracting with former safety inspectors previously employed by the FAA to represent them before the FAA if the inspectors' duties in the previous two years involved oversight or inspection of the specific air carrier offering the positions. The provision would not affect employees of air carriers who were hired prior to the enactment of this legislation. While H.R. 6493 would limit the activities of former FAA inspectors for a period, it would not ban all activities related to the FAA by such former personnel. FAA inspectors could accept compensation from other contractors or for other related duties. Consequently, CBO expects that the direct cost of complying with the mandate would be

minimal and would fall below the annual threshold established by UMRA (\$136 million in 2008, adjusted annually for inflation).

The CBO staff contacts for this estimate are Megan Carroll (for federal costs) and Jacob Kuipers (for the impact on the private sector). This estimate was approved by Peter H. Fontaine, Assistant Director for Budget Analysis.