



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

June 12, 2003
(Senate)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

S. 824 -- Aviation Investment and Revitalization Vision Act

(Sen. McCain (R) Arizona and 3 cosponsors)

The Administration strongly supports Senate passage of S. 824. Like the Administration's proposal, S. 824 would authorize federal aviation programs without increasing taxes or fees on an industry that has been severely impacted since the attacks on September 11th. The bill contains important environmental provisions including voluntary air quality initiatives; environmental streamlining elements for safety and airport capacity projects, and a more flexible use of the Airport Improvement Program (AIP) noise set-aside. The bill also adopts structural changes to the Federal Aviation Administration (FAA) that were included in the Administration's bill, as well as important clarifications in the area of judicial review of both airport environmental and agency acquisition decisions.

The Administration will work with Congress to ensure, in the version of the bill presented to the President, that: (1) spending during the authorization period conforms to the amounts requested by the Administration; (2) environmental streamlining provisions include safety projects and are optimized to promote their intended goals; (3) the Aviation War Risk Insurance program remains focused on aircraft used to support U.S. military and foreign policy objectives; (4) responsibility for transportation security expenditures is consolidated in the Department of Homeland Security and fees collected for security activities are not diverted to purposes other than the provision of direct security services; (5) the appointment of members and the operation of any committees or commissions created by the bill are consistent with the appointments clause of the Constitution and the President's constitutional authority to supervise the unitary executive branch and make recommendations to Congress; (6) any provision for airline collaboration or coordinated capacity reduction preserves competition to the maximum extent possible; (7) maximum flexibility is provided in the use of AIP funds for security costs, noise set-aside and emissions research and mitigation; (8) provisions regarding the use of space by the FAA at airports do not impose costs which preclude the continued provision of essential services by FAA; and (9) mandates which might interfere with the FAA's ability to optimize its organization or research programs are minimized.

The Administration is aware that an amendment may be offered to S. 824 that would inappropriately prohibit the conversion of any FAA facilities or functions from the Federal Government to the private sector. Such restrictions are unnecessary and would hinder the FAA's ability to manage the air traffic control system. If such an amendment were included in the final legislation presented to the President,

his senior advisors would recommend that he veto the bill.

Pay-As-You-Go-Scoring

The Budget Enforcement Act's Pay-As-You-Go requirements and discretionary spending caps expired on September 30, 2002. The Administration supports the extension of these budget enforcement mechanisms in a manner that ensures fiscal discipline and is consistent with the President's Budget. OMB scoring of the bill is under development.

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